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The COMMERCIAL & FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

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Our Reporter On "Governments"

Let's hit directly at the heart of banks' investment problems today and do some straight thinking. . . . The Government market recently has been so dull and unrevealing that for the moment, at least, we can afford to put aside questions of temporary price movements and concentrate on fundamentals. . . . The way things are shaping up, we won't get the next Treasury offering until the second or third week of May, so we can free our minds on that score for a while too. . . . Let us, therefore, consider some prime issues. . . .

A fundamental question which must be solved by every institutional investor these days is "proper" maturity distribution. . . . Whether or not your institution holds a respectable total of intermediate and long-term bonds, the fact is that most banks are overwhelmingly involved in the short-term list. . . . The statistical evidence shows unmistakably banks' preference for notes maturing between now and 1946, for the shortest-term bonds. . . . (The Reserve System statements of the last two weeks indicate that banks bought most of the six-month certificates of indebtedness and that about $800,000,000 of the certificates, or more than half the issue, were allotted in the New York district alone.) . . .

There is, of course, plenty of reason to expect the large New York and Chicago banks to continue emphasizing the short-term list. . . . Liquidity for these institutions is a prime need. . . . The Treasury too probably wants investors of this calibre to confine operations mostly to the short-terms, for short-term financing is cheap and Secretary Morgenthau recognizes the power of habit. . . .

But what about institutions outside of the major money centers? . . . With costs rising, with taxes skyrocketing, with the loan future uncertain, can your institution afford to continue operating on an investment portfolio yielding the returns possible on short-terms? . . . If banks are compelled to buy $20,000,000,000 to $25,000,000,000 new Government securities between now and the end of the fiscal year in 1943, can your institution maintain a "liquid", "short-term" investing policy? . . . (Those purchase figures are semi-official, incidentally.)

Logic in Change

Let's assume the answer is your "institution cannot afford to operate on a ½ to 1% annual interest return" but, you answer, "safety of portfolio must come first." . . . For obvious reasons, you question the advisability of heavy investments in longs. . . .

Consider, then, these points:

(1) The Treasury cannot permit any prolonged or severe decline in the long-term Government mart, for it is upon that market that it must depend for the major war financing task. . . .

(2) The Government has at its disposal today enough control devices to do just about anything it wishes with the level of interest rates and the price trend of high-grade bonds. . . .

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Security Traders Association of New York Dinner

Picture on Page 1619 of This Issue

OUR REPORTER'S REPORT

Underwriters and dealers slated to participate in the marketing of the American Tobacco Company's $100,000,000 of 20-year 3% debentures, due out tomorrow, are confident that the issue will meet decidedly satisfactory response.

For weeks it has been recognized in investment and market quarters, that the pricing of this deal for public offering would decide pretty much whether it was destined to move out rapidly, or, because of its size, develop into a "worker" that would require several weeks to place.

With a price of "par" set, and a prospective yield of 3%, preliminary inquiry from institutional sources, notably insurance companies, was accepted as assuring a relatively quick placement of the issue.

Appeal of the debentures to institutions, including banks, arises in no small degree from the indenture provisions for sinking fund sufficient to retire $3,000,000 of the issue annually, beginning next year.

Retirement of the debentures at that rate would leave only some $40,000,000 outstanding at the time of maturity. It is assumed that the position of the issue would be strengthened progressively to the extent that the outstanding total is reduced each year.

That the issue was expected to appeal to individuals and trust funds around the country was indicated by the scope of the selling group which is handling the marketing operation outside the metropolitan areas.

Finances In The War

"Wars are not won by armies and production alone," said the Economic Policy Commission of the American Bankers Associa-

(Continued on page 1618)

NYSE Sees War Bonds Arousing Interest In Investing In General Securities

The April issue of "The Exchange," monthly publication of the New York Stock Exchange, contains an article dealing with war bonds indicating that this investment may be the forerunner of interest in general securities.

The article follows:

For the second time in a single generation the American public is becoming securities minded as the result of a national crisis!

It was war in 1917-18 which converted this country into a Nation of investors . . . in the $15,000,000,000 of Liberty and Victory Loans. It is United States War Bonds which, on a far broader scale than on the first occasion, are causing the present World War to be the instrument in generating a vast public interest in securities investment.

Before World War I it was estimated that not more than 300,000 of the 100,000,000 population were stockholders of record in domestic corporations. A rough estimate of individual owners of stocks and bonds comprised not more than 2,000,000 persons. When the war was over the subscription records of the Liberty and Victory Loans indicated that these issues were owned by 15,000,000 individuals.

Tracing A Parallel

How may a parallel between "then and now" be traced? The analogy deals with a state of mind rather than with comparative volumes of investment buying. The introduction to war financing in 1917 was made against a background of a small national first-hand acquaintance with securities as *investments;* this may be emphasized to prevent confusion with the extensive speculation which occurred in "war stocks" in 1915 and 1916. After the first World War, Liberty and Victory Bonds—bought largely on bank credit by means of periodic payment plans arranged with banks—were sold heavily for a time. But when the long period of industrial growth began in 1922, the financing of it was facilitated by a previously enlarged knowledge of securities, and by reinvestment of part of the funds which originally had been loaned to the Government.

The number of investors in corporate stocks continued to increase during the 1930's. Still, in proportion to the tremendous increase of corporations with securities in the open markets, and in proportion, too, to the gain of population, the 1930's witnessed a material slackening in the public's interest in general securities.

This shrinkage was made evident by market transactions which dwindled practically from year to year; shrinkage was revealed by a decline in offerings of new investment securities. But the gradual increase of securities owners during the last 10 years is now being accelerated at a tremendous rate by the buying of War Bonds.

An accompanying factor, as a host of investors rises into view, has been noted by brokers and securities dealers. This is

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ELEVATED
ISSUES

Boettcher & Co.
CHICAGO
TWX 468

The Chicago City Railways and the Chicago Railways Companies

(Controlled by the Chicago Surface Lines System)

CORRECTION

Referring to an article in last week's issue of the "Chronicle" entitled **"The Amazing Achievement of the Chicago City Railways and the Chicago Railways Companies"**, the author, in error, omitted several amendments to the proposed plan of distribution and we are therefore republishing the new proposed plan below.

CHICAGO LOCAL TRANSPORTATION CONSOLIDATION—PROPOSED ALLOCATION OF SECURITIES

Present Issue—	*New Securities* 30 Yr. 1st Mtge. Ser. A Sinking Fund 5%
Chicago Railways 1st 5s, 1927 (25% paid—$750 par value)	$750.00
Chicago City Railway 1st 5s, 1927 (15% paid—$850 par value)	850.00
Calumet & South Chicago Ry. Co. 1st 5s, 1927 (35% paid—$650 par value)	650.00

DISTRIBUTION PER $1,000 BOND OR SHARE OF STOCK

	Shs. $5 Pfd. $100 Par or Liq. Value	Shs. of Common	30-Year 1st Mtge. Inc. Ser. B 5%
Chicago Rys. cons. mtge. ser. A 5s, 1927	19.50	7	
Chicago Rys. cons. mtge. ser. B 5s, 1927	1.874	19.549	
Chicago Rys. purch. money 5s, 1927	12	5	
Chicago Rys. adj. income 4s, 1927	Do not participate		
Chicago City & Connecting Rys. collateral trust 5s, 1927	11.35	15.3075	
Chicago Ry. capital stock	Do not participate		
Chicago City Ry. capital stock	.975	1.5	
Chicago City & Connecting Rys. collateral trust preferred	Do not participate		
Chicago City & Connecting Rys. collateral trust common	Do not participate		
Chicago Rapid Transit Co. 6½s, 1944		20.1082	
First and refunding 6s, 1953	6.84	19.3425	$100
Metropolitan West Side Elev. 1st 4s, 1938		6.0656	
Extension 4s, 1938	8.5	6.1183	150
Union Elev. (Loop) 1st 5s, 1945	7.8	7.4519	220
Union Cons. Elev. 1st 5s, 1936	7.8	7.3860	220
Northwestern Elev. 1st 5s, 1941	7.8	7.5172	220
Chicago Rapid Tr. adj. deb., 1963	Do not participate as to principal—Court will set allotment against accrued interest account.		
Chicago Rapid Transit 7.8 prior pref.			
7.2 prior pref.	Do not participate		
Chicago Rapid Transit common	Do not participate		

Description of New Company's 1st Mortgage 5% Bonds Series "A"

The New Company is to authorize an open end mortgage Indenture which will provide for a direct first mortgage lien on all of the fixed property, rolling stock and other equipment, franchises, rights and privileges to be acquired from the Rapid Transit and the Surface Lines. The Indenture will also provide for a mortgage on all cash funds as well as on the New Company's earnings, revenues and income.

The Indenture will provide that so long as any of the bonds are outstanding, the New Company will not use the renewal and depreciation funds or the special renewal and equipment funds acquired from the Surface Lines and Rapid Transit or any additions thereto for any purpose except for renewals and replacements, additions and betterments, for the retirement of Series "A" Bonds and Equipment Certificates of the New Company and for

(Continued on page 1624)

Chicago Traction Securities
Inquiries Invited
Direct Private Wire to Thompson, Davis & Phipps, Inc., Chicago

Mackubin, Legg & Company
Established 1899
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Chicago Railways
"A" 5s, 1927
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Vietor, Common, Dann To Form In Buffalo

BUFFALO, N. Y.—Following the dissolution of J. C. Dann & Co. and Vietor, Common & Co. on April 30, the New York Stock Exchange firm of Vietor, Common, Dann & Co. will be formed, effective May 1, with offices in the Ellicott Square Building. Partners in the new organization will be Frederick Vietor, Robert C. Common, Nathan Oppenheimer, Jr., general partners, formerly of Vietor, Common & Co., Alexander P. Dann, Charles L. Gurney, Jr., C. R. Coster Steers, the Exchange member, general partners, and Jesse C. Dann, Jr., limited partner, formerly of J. C. Dann & Co. Mr. Steers will make his headquarters in New York City.

W. J. S. Borie Now With Burton, Cluett & Dana

PHILADELPHIA, PA.—Burton, Cluett & Dana, 1500 Walnut Street, members of the New York Stock Exchange, announce that W. J. Sewell Borie has become associated with the firm's Philadelphia office. Mr. Borie was formerly with Francis I. du Pont & Co. and Chisholm & Chapman. In the past he was Philadelphia manager for R. W. Pressprich & Co.

James Yates, Jr., With Gatch Bros., Jordan Co.

ST. LOUIS, MO.—James A. Yates, Jr., formerly connected with Francis, Bro. & Co. for many years as manager of their trading department, has now become associated with Gatch Bros., Jordan & McKinney, Inc., 418 Olive Street, members of the St. Louis Stock Exchange.

Chicago Railways
1st 5s of 1947
Chicago City Railways
1st 5s of 1927
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NY 1-1557

N. J. Bond Club To Hold Field Day In June

Lee W. Carroll of John B. Carroll & Co., President of the Bond Club of New Jersey, announces that after careful consideration, the Board of Governors of the Club has decided to hold a field day this year. The program will be modified in keeping with existing conditions and prizes will consist of War Savings Bonds. The outing will be held on Friday, June 12, at the Essex Fells Country Club.

L. D. Hill & R. B. Fogg Join Arthur Perry Co.

BOSTON, MASS.—L. Draper Hill and Robert B. Fogg have become affiliated with Arthur Perry & Co., Inc., 31 Milk Street. Mr. Hill, who has been in the investment business since 1922, for the past eight years has been with Tyler & Co., Inc. of which he was Vice-President. Mr. Fogg had been with Tyler & Co. for a number of years.

Walter D. Dunbar To Deal In Securities

(Special to The Financial Chronicle)

NEW ORLEANS, LA.—Walter D. Dunbar has opened offices in the Marine Building to engage in a general securities business. Mr. Dunbar was formerly Vice-President and Sales Manager of White, Dunbar & Co., Inc. Prior thereto he was sales manager for the Whitney National Bank of New Orleans and the Whitney Trust & Savings Bank.

J. Reitenbaugh With John C. Litt & Co.

John S. Reitenbaugh has become associated with John C. Litt & Co., 150 William St., New York City. Mr. Reitenbaugh was formerly Vice-President of Bond & Goodwin, Inc., in charge of the securities and syndicate departments.

To Open Carrere & Co.

John Carrere, member of the New York Stock Exchange, and Carroll Dunham, 3rd, will form Carrere & Co., a partnership, with offices at 65 Broadway, as of May 1. Mr. Carrere was previously an individual floor broker in New York.

COMMERCIAL and
FINANCIAL CHRONICLE
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William B. Dana Company
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William D. Riggs, Business Manager
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Albert Bauer Is Now With Whitaker & Co.

(Special to The Financial Chronicle)

ST. LOUIS, MO.—Albert H. Bauer has become associated with Whitaker & Co., Fourth and Olive Streets, members of the St. Louis Stock Exchange. Mr. Bauer was formerly with Francis, Bro. & Co. and prior thereto conducted his own business in St. Louis, Bauer Bros. Brokerage Co., for many years.

Henry Garrett Joins Central Republic Co.

(Special to The Financial Chronicle)

CHICAGO, ILL.—Henry H. Garrett has become associated with Central Republic Company, Inc., 209 South La Salle Street. Mr. Garrett was formerly with Otis & Co. and was an officer of Nichols, Garrett & Co. In the past he was connected with Central Republic Co.

Vinco Corp. Stock Offered At $5.50 Per Share

Public offering of the unsubscribed portion of 104,000 shares of additional ($1 par) common stock of Vinco Corp., is being made today by A. M. Kidder & Co., New York, at $5.50 per share. Common stockholders of record April 14, were offered the right to subscribe for two shares of the additional common for each three shares held, at $5.50 per share. Vinco Corp., as the manufacturer of tools, gauges, precision checking and production instruments and other items, is engaged in important defense work and the net proceeds from the sale of the additional shares will be used for additional working capital. For the calendar year 1941 company reported net income, after all charges and Federal income and excess profits taxes, of $355,637, as compared with $139,775 in 1940 and $23,519 in 1939.

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Blizzard In Air Force; Sener Heads NSTA

Herbert H. Blizzard

Herbert H. Blizzard, of Herbert H. Blizzard & Co., Philadelphia, has resigned as President of the National Security Traders Association on receiving a commission as Captain in the Army Air Force. Joseph W. Sener of Mackubin, Legg & Company, Baltimore, Md., succeeds Captain Blizzard as head of the NSTA.

Captain Blizzard addressed the following telegram to Stanley Roggenburg, President of the Security Traders Association of New York, on the occasion of that association's annual banquet:

Joseph W. Sener

"Arrived to take up six weeks course of training Army Air Force knows how. Imagine being bunked in an ocean-front room at a dollar a head three in a room. Going to be stiff strict and efficient course. Brokers from various cities here. Maybe it's a convention of the NSTA and I wasn't tipped off. Four hundred officers every two weeks—after that the fire-works. Regards to all. Tip one for me. Captain Herbert Blizzard, USAAF."

It is understood that the investment business of Herbert H. Blizzard & Co. is being carried on by Captain Blizzard's associates.

Result Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on April 20 that the tenders for $150,000,000 or thereabouts of 91-day Treasury bills, to be dated April 22 and to mature July 22, 1942, which were offered on April 17, were opened at the Federal Reserve Banks on April 20. The following details of this issue are revealed:

Total applied for ______ $332,677,000
Total accepted ______ 150,958,000

Range for accepted bids:

High—99.960. Equivalent rate approximately 0.158%.

Low — 99.914. Equivalent rate approximately 0.340%.

Average Price 99.920. Equivalent rate approximately 0.317%.

(85% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on April 22 in amount of $150,330,000.

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The Stock Market—What Next?

Chief concern in the present situation is whether the market is rounding out an important base for an extended take-off or whether it is on the verge of another nosedive.

Most of the technical indicators, except the more sensitive short term ones, continue bearish on the main trend and point toward still lower market levels. However, we wish to point out that the protracted period of almost unparalleled dullness (there have been similar periods before) has a definite meaning. Invariably such a marked contraction in volume means the exhaustion of important liquidation. Such contraction of volume coming after a major downtrend, which had its inception, according to Dow Theory, as far back as September 1939, is more likely to represent the dying gasp of a major liquidating movement rather than the forerunner of another important downswing.

And while on the subject of dullness—the characteristic ending of all bear markets—we would also point out that another equally important characteristic is belated weakness in the so-called old-line dividend paying favorites which usually give way rather easily in the final stages of bear markets and which keep on falling long after the main body of stocks have hit bottom. Thus there are in the market today at least two important characteristics which invariably accompany transition from a major bear to a major bull phase.

Certainly many issues still appear amply valued and some distinctly over valued, but the point is that numerous apparent bargains exist throughout the list and these are going begging. Cash was never more plentiful and the market was never on a more thoroughly liquidated basis. Nevertheless, it is more or less the unanimous feeling that nothing is more valuable than cash. All of which reminds us that somebody once said that fifty million Frenchmen couldn't be wrong—but they were, and how!

Clearly the market situation, generally speaking, is a study in psychology rather than a study in values. The question today is not whether this issue or that issue will reach into new low ground, but rather whether the next important price change will be up or down.—*G. Y. Billard, J. R. Williston & Co.*

"Toppers" Announce Sixth Annual Outing

The "Toppers," organization of municipal men, will hold their sixth annual outing on Friday, May 29, at the Knickerbocker Country Club in Tenafly N. J. Municipal men now in the Service who are in the vicinity are invited to join the outing as the guests of the association — twenty-five of the group's members are now serving in the armed forces.

Included in the program are golf, tennis, softball, luncheon, dinner and amusements, with appropriate prizes for the winners in the various contests.

Albert Milloy, First Boston Corp., is Chairman of the outing committee. Thomas C. Cafone, W. E. Hutton & Co., is in charge of golf; C. M. Haight, Tripp & Co., Inc., treasurer; James Heller, Lazard Freres & Co., gifts and prizes; John Stafford, Glore, Forgan & Co., softball; and Paul Wolf, Harris Trust & Savings Bank, tennis.

George Miles Joins Ira Haupt Co. Staff

Ira Haupt & Co., 39 Broadway, New York City, members New York Stock Exchange, announce that George H. Miles has become associated with them in their bond department. Mr. Miles was formerly manager of the bond department for Penington, Colket & Wisner and Foster, Marvin & Co., and was with Bull & Eldredge. In the past he was a partner in Schmeltzer, Clifford & Co. and J. H. Holmes & Co.

This advertisement appears as a matter of record only and is under no circumstances to be construed as an offering of the stock herein mentioned, or as an offer to buy, or as a solicitation of an offer to buy, any shares of such stock. The offering is made only by the Prospectus.

Vinco Corporation
Common Stock
Par Value $1 Per Share
Price $5.50 Per Share
Copies of the Prospectus May Be Obtained from the Undersigned
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President To Offer Anti-Inflation Program

President Roosevelt plans to send a message to Congress and to address the Nation early next week on a general national policy regarding the cost of living and related factors, it was announced on April 20. The President's message will probably be sent to Congress on Monday (April 27) and his radio talk to the people will follow in the evening. The message is expected to cover wages, profits and taxes and it is also believed will set up a definite war labor policy.

The President revealed on April 10 that he was considering a broad anti-inflation program, and this was reported in our issue of April 16, page 1559.

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PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

NEW YORK, N. Y.—**M. S. Wein & Co.,** 25 Broad St., announce that **Justin Newman** has joined them in their real estate securities department. He will specialize in title company mortgage certificates and inactive bonds. Mr. Newman was formerly with L. J. Goldwater & Co., Inc.

(Special to The Financial Chronicle)

BOSTON, MASS. — **Henry F. Merriam** has become associated with **J. Arthur Warner & Co.,** 10 Post Office Square. Mr. Merriam was formerly with H. M. Eames & Co.

(Special to The Financial Chronicle)

CHICAGO, ILL. — **Frank X. Duffy** and **Sven V. Platin** have become connected with **Thompson Ross Securities Co.,** 39 South La Salle St. Mr. Duffy was formerly with Merrill Lynch, Pierce, Fenner & Beane and, for a number of years of yaers, with Paine, Webber & Co. Mr. Platin was previously with Dempsey-Detmer & Co.

(Special to The Financial Chronicle)

LONG BEACH, CALIF. — **George A. Brown** has joined the staff of **Lester & Co.,** Security Building. Mr. Brown was formerly with Merrill Lynch, Pierce, Fenner & Beane and Banks, Huntley & Co. in charge of their Long Beach offices.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF. — **Henry F. Hagemann** is now with **Hopkins, Hughey & Co.,** 609 South Grand Avenue.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Robert F. Herpick** and **Henry K. Nelson** have been added to the Staff of **Dean Witter & Co.,** 634 South Spring St.

(Special to The Financial Chronicle)

PASADENA, CALIF.—**Frederic Hill Starr** has become affiliated with **Lester & Co.,** 234 East Colorado St. Mr. Starr was previously with Mitchum, Tully & Co., Merrill Lynch, E. A. Pierce & Cassatt, and Banks, Huntley & Co.

(Special to The Financial Chronicle)

PASADENA, CALIF. — **Chester H. Walker** has joined the staff of **Blyth & Co., Inc.,** 234 East Colorado St.

(Special to The Financial Chronicle)

PORTLAND, ORE.—**Ralph R. Macartney, Jr.,** for many years with E. M. Adams & Co., has become associated with **Hess & Butchart,** American Bank Building.

(Special to The Financial Chronicle)

PORTLAND, ORE.—**D. Vernon Miller,** for many years with Dean Witter & Co., has become affiliated with **Merrill Lynch, Pierce, Fenner & Beane,** 506 S. W. Sixth Avenue.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF. — **Thomas A. Cox** is now with **Blyth & Co., Inc.,** Russ Building.

March Failures Are Highest Of The Year

March business failures rose seasonally above the month preceding and also topped January, which in other years has frequently established the year's peak. However, in March last year failures reached their highest level of the year and last month's insolvencies were considerably reduced from that month. Business casualties last month, according to Dun & Bradstreet, Inc., totaled 1,048 and involved $12,011,000 liabilities as compared with 916 involving $9,631,000 in February, and 1,211 involving $13,444,000 in March, 1941.

The increase over February was common to all divisions of commerce and industry into which the insolvencies are divided with the exception of the commercial service division. Compared with last year, however, only the construction group showed an increase while the manufacturing group showed no change; the other three groups were reduced. Manufacturing failures numbered 188 last month, the same as in March, 1941, and involved $3,739,000 liabilities compared with $3,647,000 in the same month last year. Construction insolvencies rose to 77 with $896,000 liabilities from 60 with $765,000 a year previous. In the wholesale trade division failures dropped to 85 involving $1,369,000 compared with 105 involving $2,049,000 in March last year. In the retail division 650 firms failed for $4,813,000 in comparison with 800 for $6,128,000 a year ago. Commercial service failures numbered 48 with $1,194,000 liabilities as compared with 58 with $855,000 liabilities in March, 1941.

The trend of failures was not uniform in the different areas of the country. When the country is divided according to Federal Reserve Districts, it appears that seven districts had fewer insolvencies than in March, 1941, while five districts had more. Three had fewer than in February, one an equal number, and eight, more. As compared with both last year and February the improvement was almost entirely concentrated in the Eastern and Far Western Districts. Of the districts in the central areas only the St. Louis District was below the level of March, 1941, but none was reduced from last February.

RR Situation Attractive

The Chicago "Letter" for April, issued by Carter H. Harrison & Co., 209 S. La Salle St., Chicago, Ill., members of the Chicago Stock Exchange, contains an interesting detailed discussion of the possibilities offered by securities of railroads approaching reorganization. Copies of the "Letter" may be had from Carter H. Harrison & Co. upon request.

Fred E. Busbey Gets Republican Nomination

CHICAGO, ILL.—Fred E. Busbey, President of Fred E. Busbey & Co., 10 South La Salle St., won the Republican nomination for Congress from the third District of Chicago, receiving 16,256 votes, against 3,288 for Ayers, and 7,557 for Lyle, his opponents.

MUNICIPAL
RAILROAD
PUBLIC UTILITY
AND INDUSTRIAL
SECURITIES

THOMPSON ROSS
SECURITIES CO.
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CHICAGO

MEETING NOTICE

NORFOLK AND WESTERN RAILWAY COMPANY
Roanoke, Virginia, April 6, 1942.
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of the Stockholders of Norfolk and Western Railway Company will be held, pursuant to the By-laws, at the principal office of the Company in Roanoke, Virginia, on Thursday, May 14, 1942, at 10 o'clock A. M., to elect three Directors for the term of three years, and to transact such other business, not known or determined at this time, as properly may come before the meeting.

Stockholders of record at the close of business April 24, 1942, will be entitled to vote at such meeting.

L. W. COX, Secretary.

New South Wales Issues Selling Out of Line

State of New South Wales (Australia) 5's due 1958 are currently selling about twelve points above the comparable and similar issue of 1957, according to F. J. Young & Co., Inc., 52 Wall Street, New York City; both bonds are listed on the New York Stock Exchange.

The last sales during the week ended April 18th were 70 on the 1958 maturity, versus 58 on the 1957 issue, according to F. J. Young & Co., which is equivalent to twelve points or more than two years interest and which appears to have been caused by the recent sinking fund operation on the 1958 bonds — the next nearest sinking fund is scheduled to operate in August, in favor of the 1957 issue.

Bond Club Of Denver Bowling League Returns

DENVER, COLO.—The Bowling League of the Bond Club of Denver announces the scores for the 12th week of the meets:

	Won	Lost	Pct.
Roystones	26	10	.722
Municipals	21	15	.583
Odd-Lots	19	17	.528
Preferreds	19	17	.528
Over-the-Counters	15	21	.417
Investment trusts	15	21	.417
Dividends	15	21	.417
Corporates	14	22	.389

The Roystones are captained by Leon Macart, Municipals by Norman Godbe of Geo. W. Vallery & Co.; Odd-Lots by Jerry Ryan Peters, Writer & Christensen; Preferreds by Hal Myers, Corporates by Bernard Kennedy, Bosworth, Chanute, Loughridge & Co.; Over-the-Counters by Ernest Schlenzig, Investment Trusts by Chan Lilly, and Dividends by Smith.

High team series is held by the Municipals; high team game by the Municipals; high individual series by Ernie Stone with a score of 587; high individual game by Chan Lilly with a score of 237.

Fla. Road & Bridge Bonds In The War Economy

B. J. Van Ingen & Co., 57 William St., New York City, have prepared a memo on Florida's County-District Road and Bridge Bonds in the war economy. This memo supplements a booklet, "Florida's New Gas Tax Laws," recently issued by the firm. Copies of the booklet and memorandum may be had from B. J. Van Ingen & Co. upon request.

Suspended By Exchange

James Russell Lowell, New York City, has been suspended from membership in the New York Stock Exchange. Mr. Lowell, an Exchange member since 1929, has filed a voluntary petition in bankruptcy listing liabilities of $215,486 and assets of $20,272.

Vieth Acquires Interest

DAVENPORT, IOWA — Walter E. Vieth has purchased the interests of Floyd C. Duncan and Lucien A. Wood in the partnership of Vieth, Duncan & Wood, Davenport Bank Building. The firm will be continued by Walter E. Vieth under the firm name of Vieth, Duncan & Wood and A. M. MacLaughlin will be admitted to partnership.

DIVIDEND NOTICES

INTERNATIONAL HARVESTER COMPANY

Quarterly dividend No. 95 of one dollar and seventy-five cents ($1.75) per share on the preferred stock, payable June 1, 1942, has been declared to stockholders of record at the close of business May 5, 1942.

SANFORD B. WHITE, Secretary.

NATIONAL DISTILLERS PRODUCTS CORPORATION

The Board of Directors has declared a regular quarterly dividend of 50¢ per share on the outstanding Common Stock, payable on May 1, 1942, to stockholders of record on April 15, 1942. The transfer books will not close.

March 26, 1942

THOS. A. CLARK
TREASURER

Wesley Hall Co. Formed

(Special to The Financial Chronicle)

SAN DIEGO, CALIF.—C. Wesley Hall has formed the firm of Wesley Hall & Co. which will conduct a general investment securities business at the location previously occupied by Miller, Hall & Co. in the First National Bank Building. Mr. Hall was formerly a partner in Miller, Hall & Co., which is being dissolved because of the death of Mr. Miller.

Clare N. Phillips, Homer D. Peabody, Ruth O'Neill, Irene T. Moore, and Katherine Franz, all previously associated with Miller, Hall & Co., will be connected with the new firm.

Hackett To Be Partner

W. Joseph Hackett will become a partner in Blair S. Williams & Co., 14 Wall St., New York City, members of the New York Stock Exchange, as of May 24. Mr. Hackett will act as alternate on the floor of the Exchange for William Shippen Davis, under Section 15, Article IX of the Exchange's Constitution.

Anderson & Dorney Now With J. A. Hogle

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Walter N. Anderson and Richard B. Dorney have become associated with J. A. Hogle & Co., 532 West Sixth Street. Mr. Anderson was formerly with E. H. Rollins & Sons Incorporated and prior thereto was in business under the name of W. N. Anderson & Co. Mr. Dorney for many years was with Sutro & Co.

Keresey And Kyle Now With Estabrook & Co.

Estabrook & Co., 40 Wall Street, New York City, announce that Edward J. Keresey and A. Kenneth Kyle are now associated with them. Mr. Keresey was formerly proprietor of Keresey Co., New York and prior thereto was with Campbell, Phelps & Co., Inc. In the past he was with Estabrook & Co.

Richard W. Grigg Joins Longan, Dunn & Philleo

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Richard W. Grigg is now with Longan, Dunn & Philleo, 621 South Spring Street, members of the Los Angeles Stock Exchange. Mr. Grigg was formerly associated with Cavanaugh, Morgan & Co., Inc. for a number of years and prior thereto was with Schwabacher & Co.

Currier With E. H. Rollins

(Special to The Financial Chronicle)

ROCKFORD, ILL.—Laurence J. Currier has become associated with E. H. Rollins & Sons Incorporated, 231 South LaSalle Street, Chicago. Mr. Currier was formerly with Paul H. Davis & Co. and prior thereto was an officer of Jilbert & Co., William H. Flentye & Co., Inc., and Ramey, Bassett & Co.

Tomorrow's Markets Walter Whyte Says—

Last week's break through an important market indicator. Rally up to 75% possible but not to be trusted. Only major war victory can inaugurate real move.

By WALTER WHYTE

The difficulty of gauging a market that has no volume to speak of was again demonstrated in last week's price action. Two weeks ago prices, as measured by the N. Y. "Times" average, managed to go through to a new high on the move. The theory when this occurs, is that a reaction will follow. On such reactions stocks usually recognize support points, hesitate and then go up again. Following this thought through, such reaction should be used to buy stocks.

* * *

This is what this column did. It went out on a limb and recommended the purchase of various issues which, in the opinion of the writer, had not only acted better than the market when the market had rallied, but had also demonstrated this quality by refusing to act as badly as the rest of the market when it reacted.

* * *

Unfortunately, I turned my head away from the war, its complications and implications. For instead of the market stopping where by all technical yardsticks it showed it would, it went on down through the previously determined resistance points.

* * *

On the reaction, only four stocks managed to stay above their stop prices. These were Atchison at 34; International Harvester 41½; Union Carbide 57; and Western Union 24.

* * *

As this is written, these stocks are slightly above these figures, having rallied slightly in the last few days. Now the question arises: Is the break through of last week an indication of further sharp reactions or was it just another one of those things without forecasting significance?

* * *

If the first theory is to apply, then all stocks are a sale. But even if this were so, a rally of anywhere from 50% to 75% from the recent lows can be expected.

* * *

If the second theory is applied, then it must be assumed that nothing the market does from here on is to be trusted insofar as future indications are concerned.

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I know as well as the next man, that the much talked of forecasting power the market was supposed to have, no longer as important as they were once. For we have a war on our hands. A war that not only breaks all precedents, but tears asunder all economic and political ties. In some cases these breaks are precedent breaking in themselves.

* * *

If you want a better picture of what I'm talking about, just pick up your daily papers and read how the Government has stepped in and brought legal proceedings against some companies because of cartel arrangements they still had with the enemy.

* * *

Obviously no one knows what the news, war, political or economic, will be until it become news. And even when it hits the front pages, the matter of interpreting marketwise is still to be settled. And there only the market itself can solve the problem. So in the final analysis it is market action which in the long run will determine trend.

* * *

If this is so, then the break through of last week is bad news. It means just one thing —prices by their own action have signalled that they are headed for lower levels. But a signal is seldom followed by immediate performance. A time lag of anywhere from one week to possibly a month is not only possible but is indicated. It is during these time lags that markets frequently begin throwing what later prove to be false indications.

* * *

For one, the market may go into a period of hibernation during which what appear to be bases are slowly built up; a condition that leads to many false premises. Or it may even rally. Either or both of these conditions may be witnessed at the same time in different portions of the markets. But the outstanding fact, that the market has by its previous break through signaled a continuation of a down trend, or the beginning of a new down trend, is frequently overlooked.

* * *

It is therefore important to remember that what happened in the past, should gauge your actions in the

(Continued on page 1620)

Boston Terminal Company
3½s & 4s
Old Colony Railroad Bonds
Seaboard Air Line Railway
Receivers Ctfs.—1st Lien
Bought — Sold

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RAILROAD REORGANIZATION SECURITIES

RAILROAD SECURITIES

The Baltimore & Ohio Secured 4s, 1944, have been attracting progressively more favorable attention in recent months, with speculators and investors particularly impressed with the pronounced market stability since Pearl Harbor. Periods of general weakness such as followed the initial Japanese attack and the more recent return of Laval to power in France have naturally had some effect on these notes. Nevertheless, any weakness that has developed has been relatively narrow, and of very short duration. Moreover, after any such sell-offs the notes have displayed marked resiliency. These notes originally carried a 4½% coupon and matured in 1939. Under Baltimore & Ohio's Chandler Act readjustment the maturity was extended for five years and the interest rate reduced to 4%.

The Secured 4s, 1944, are outstanding in the amount of $50,000,000 of which $13,490,000 is held by the RFC and $36,510,000 by the public. They are secured by pledge of $38,000,000 face value of the company's Refunding & General 6s and 232,000 shares of first preferred, 332,000 shares of second preferred and 566,000 shares of common stock of the Reading Company. The status of the bonds is bolstered by the favorable depression record of Reading Company. The latter is one of that select group of carriers that was able to maintain profitable operations and common stock dividends consistently throughout the depression decade. Even at the current common dividend rate of $1.00 (compared with 1941 earnings of $4.67 a share) the income from the pledged Reading stock covers approximately 85% of the annual interest requirements on the notes. A dividend of $1.50 on Reading common would be just about sufficient to afford full support for the notes without any consideration being given to the obvious earning power of the $38,000,000 Baltimore & Ohio Refunding & General 6s pledged. As it is, the income from the pledged Reading stock would afford a current return of more than 4.50% on the aggregate market value of the notes taken at recent levels of around 75.

While the collateral position of the notes is alone sufficient to arouse the interest of investors, and this is currently being bolstered by the wide improvement in the earnings and finances of Baltimore & Ohio itself, the major factor in the outstanding market performance of the notes has obviously been the belief that the company itself may be an important buyer over the next few years. Under the Chandler Act readjustment consummated a few years ago the company agreed that for the years 1939-1943, 75% of net income, after deduction of a capital fund and all current and accrued contingent interest, would be diverted to a sinking fund for the retirement of outstanding debt. After 1943 the sinking fund is reduced to 50% of net until a total of $100,000,000 face amount of debt has been retired. As the Secured 4s, 1944, represent the earliest sizable maturity of the company it is generally expected that they will be the major beneficiaries of the program. Fairly generally the roads that have embarked on debt retirement programs have concentrated on possibly troublesome near maturities without regard for lien position.

After deduction of 2½% of gross for the capital fund and after paying off all accumulations of contingent interest for past years, the management announced that there would be $3,554,502 available for the sinking fund from 1941 earnings. If this fund were all applied to retirement of the Secured 4s, and figuring an average price of around 80, it would be possible to buy in more than $4,400,000 face value this year. It is indicated that payments into the fund next year will be far heavier. For one thing, accumulations of contingent interest have now been cleared up so the interest deduction from 1942 earnings will be only for current accruals. If 1942 earnings hold to 1941 levels the sinking fund operating in 1943 would amount to $11,600,000. Maintenance of the same level of earning through 1943, and holding to the proposition that the company will concentrate on the 1944 maturity problem, would allow retirement of more than 90% of the publicly held notes by maturity, at an average price of 80. This potentiality obviously would constitute an important market factor, and engenders considerable confidence in the present price structure even in recurring periods of general market weakness.

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United Securities, Ltd. 5s, '52
HART SMITH & CO.
52 WILLIAM ST., N. Y. HAnover 2-0980
Bell Teletype NY 1-395
New York Montreal Toronto

SEABOARD AIR LINE RAILWAY COMPANY
Underlying Mortgage Bonds
VAN TUYL & ABBE
72 WALL STREET
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SITUATION WANTED

Unlisted Security Trader—twenty years of all around experience, formerly partner in an Over-the-Counter securities firm. Married. Box L 22, The Financial Chronicle, 25 Spruce St., New York, N.Y.

In Armed Forces

John E. McGovern, partner in Norris & Kenley, Chicago, has been commissioned a Captain in the Aviation Corps and has been ordered to Harrisburg, Pa. Mr. McGovern in the first World War had joined an aviation school and was later commissioned a First Lieutenant.

Edwin L. Gilroy, Vice-President of Webber, Darch & Co., Chicago, has reported for duty as Lieutenant Commander in the United States Naval Reserve. Mr. Gilroy, who served in the last war as an ensign aboard the U. S. S. Wachusetts, has been appointed an instructor in navigation at the Midshipmen's School at Abbott Hall on the campus of Northwestern University.

Walter B. Pierce of W. B. Pierce & Co., New York City, has been recommissioned in the U. S. Marine Corps where he served in the last war.

Elected To Membership In N. Y. Dealers Ass'n

At a meeting of the Board of Governors of the New York Security Dealers Association, John F. Wark, Merrill Lynch, Pierce, Fenner & Beane, and Herbert Singer, Luckhurst & Co., Inc., were elected to membership in the Association.

Defaulted RR Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: High—40⅜, low—14¾, last—37¾.

SOUTH AMERICAN BONDS

Bought — Sold — Quoted

FULLER, CRUTTENDEN & COMPANY
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THE BOND SELECTOR

REPUBLIC OF BOLIVIA EXTERNAL BONDS

War Time Demand For Minerals And Financial Aid From United States Bolster Bolivia's Dollar Position

Mining is by far Bolivia's most important industry and tin the chief mineral mined. The great Patino and Hochschild tin mines have become of prime importance to the United Nations since the tin districts of Malaya fell into Japanese hands. Under contracts signed between Bolivia and the United States, we agreed to purchase about half of Bolivia's tin output over a period of five years beginning with 1941. Originally envisaged as an annual tonnage of about 18,000 tons, more recent events have caused plans to be jumped to 52,000 tons of tin to be treated in a smelter now under construction in Texas. Presumably this additional tonnage will come largely from Bolivia, other sources being in enemy hands or under contract to others. The United States will also buy Bolivia's annual copper production of 6,500 tons and all the tungsten the country can produce.

Although defaults occurred on Bolivia's foreign debt prior to 1877, between that year and 1930, all foreign obligations were met promptly. Since 1931, however, debt service, with the exception of the Match Loan, has been again in default. Although there is in existence an active Bondholder's Committee, no plan has been consummated for resumption of service on the external debt. The problem depends in good measure on the country's dollar position and this has improved greatly during the past year. The excess of merchandise exports to the United States over imports totalled $15,358,000 in 1941. In 1940, there was a deficit of $2,095,000. To what extent Bolivian foreign trade has improved is further shown by trade returns just received from Bolivia which place total exports in the first 11 months of 1941 at about $55,400,000, compared with $45,508,000 in the same 1940 period, and $30,232,000 in 1939, according to Standard & Poor's. There is every reason to expect that there will be no early interruption in this favorable trend, and consequently Bolivia's exchange position should continue to improve.

In addition to contracts whereby the United States has agreed to purchase most of Bolivia's metals output and the favorable trade balances referred to above, several other developments have occurred which are encouraging to the bondholders and others having a stake in Bolivia's finances. The most important of these has been the signing of a series of economic and financial agreements and the settlement of the long-standing dispute between the Bolivian Government and Standard Oil of New Jersey.

Although precise information is lacking on the amount of financial aid rendered Bolivia by the United States, it is certain that the total is relatively impressive. Lend-lease assistance provided under the contract signed in December, 1941, probably involved between $10,000,000 and $15,000,000. At the end of January, when Bolivia broke off its relation with the Axis powers, Bolivia and the United States signed a $25,000,000 development program providing for the creation of a Bolivian Development Corporation with the backing of a $10,000,000 Export-Import Bank credit. Since one of the great problems in Bolivia's economy has been adequate highway connections between various sections, construction of a 225-mile highway linking the agricultural and mining centers will be the first project under this $10,000,000 credit. These latter credits are in addition to an initial loan from the Export-Import Bank of $5,500,000 for development of the country's oil industry; this initial amount will be increased as needed.

The dispute between Bolivia and Standard Oil of New Jersey arose over the Government's expropriation of the company's Bolivian properties in 1937. It was recently announced that Bolivia has agreed to pay Standard Oil $1,500,000 plus 3% interest from March 13, 1937, in settlement of all claims.

With customs revenues accounting for 60% of total Government receipts the general improvement in Bolivia was accompanied by a sharp increase in Government collections. The total for the first nine months of 1941 (the latest figures available) was Bs. 711,063,000, or nearly double the 1940 figure for the corresponding period. The 1942 budget may be boosted 27% to Bs. 912,000,000, but from all available indications the Government will have no difficulty in finding this additional revenue.

The principal weakness in Bolivia's financial structure is a relatively high public debt amounting to Bs. 4,744,242,000 at the end of 1940. This total includes Bs. 4,163,371,000 of external debt, the bulk of which is represented by long term dollar bonds. Including unpaid interest, the dollar obligations amounted to $104,084,000 at the end of 1940. These dollar bonds consist of four issues and are traded exclusively over the counter. The following are the bonds and their current prices and recent ranges:

	Outstd. Mil. $	Last Coupon Paid	1942 Price Range	Current Market
6s, Oct. 1, 1940	1.3	10/1/30	18 -10	14½
8s, May 1, 1947	22.2	11/1/30	13½- 5	12½-13
7s, July 1, 1958	13.4	7/1/30	11 - 5	10 -11
7s, Mar. 1, 1969	22.7	9/1/30	11 - 5	10 -11

As mentioned previously, all these dollar bonds have been in complete default since 1931 except for a payment of $10.14 on the 8s, 1947, which was made in December, 1941, on account of the May 1, 1931, coupon. This disbursement, however, was a peculiar case affecting this particular issue and had no bearing on the overall debt picture. There is little question that it will be some time before any definitive action is taken for settlement of Bolivia's external debt. This problem, however, is the last remaining one awaiting settlement between the two countries, and it is certainly not being over-optimistic to anticipate some constructive developments. In the meantime, Bolivia's external bonds, which can be bought for 10 to 15 cents on the dollar, are considered an extremely interesting speculation.

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Bank and Insurance Stocks

This Week — Bank Stocks

In an important address to the Wisconsin Bankers Conference, Leo T. Crowley, Chairman of the Federal Deposit Insurance Corporation, has laid down the official policy with regard to capital ratios and ratios of ploughed back earnings, two factors having a direct bearing on stockholders' dividends.

First, Mr. Crowley repudiated the establishment of any arbitrarily set minimum acceptable capital ratio, such as the famed 10:1 generalization. The minimum acceptable capital ratio must be determined for individual banks on the basis of their own condition and trends, and not arbitrarily set at an inflexible minimum, without regard to other factors in the bank, because (1) Adequacy of a given capital ratio varies widely from bank to bank and even from season to season within a bank; (2) Experience shows an official minimum tends to become the maximum in practice; (3) There should be as little of restrictive legislation as possible.

In effect, this means that just because the ratio of capital funds to deposits and earning assets is below 10%, it does not necessarily follow that there is a capital deficiency in a particular bank, calling for issuance of new capital and/or reduction in dividend to increase ploughed back earnings. A bank may have a capital cushion of only 5%, and yet because of thoroughly sound condition of assets, be stronger than a bank with double the capital cushion but having sub-standard assets.

Thus, Mr. Crowley sets forth the formula for testing adequacy of bank capital: Look at both the capital cushion and the weight upon the cushion—the capital ratio and the quality of bank assets.

Secondly, in his suggestions for improving quality of bank assets, Mr. Crowley listed the following: (1) Maintained bank credit standards in making loans; (2) Requiring amortization of mortgages; (3) Disposal of sub-standard assets in improved markets, particularly real estate; (4) Charge-off of known losses and depreciation on assets out of improved bank earnings, thus eliminating asset exposure and at the same time deriving tax deductions.

Mr. Crowley did not mention the ofifcial attitude toward War expansion in Government securities and its effect on capital ratios, especially if Government security holdings should expand under the pressure of War financing to alone many times the capital funds. In view of such omission, it may be assumed that there is nothing wrong with a bank's taking of all the Governments it wants regardless of the capital ratio, because (1) the mere volume ratio is not determining; (2) Government securities are highest grade type of asset and are rediscountable at the Federal; (3) All available support should be mobilized for War financing.

If the assumption is correct, then it follows that money center banks whose assets are generally of highest grade, consisting in large part of Government securities of medium and short maturities, should not be reducing dividends merely because the volume ratio of capital funds stands to show great diminution in proportion to forthcoming expansion in Government securities. In fact it would appear that such volume expansion would be a source of improved gross earnings, with which to help absorb the increase in costs, particularly taxes.

To take a well known New York bank as an extreme example, the bank in 1941 made $14,800,000 gross on earning assets avergaging about $660,000,000 during the year. Of these earning assets, 70% are Governments with a maturities average of 5 years; 23% are "other" securities; and 7% are loans. Stated capital cushion is equal to 14% of deposits and 18% of earning assets. Operating expenses are $1,200,000. The bank is not subject to excess profits tax because of large invested capital credit. Dividend was reduced from $10,000,000 to $8,000,000 annual rate in December.

If combined normal tax and surtax should be 55%, then on the basis of 1941 income from earning assets alone, without allowance for further earning asset expansion or other earnings, taxes would be $5,500,000, and reduce net operating earnings to $8,100,000, thus justifying the dividend reduction.

But: the bank probably averaged about 1½% return on its Governments. Reducing that in half, to allow for taxes, expansion of $250,000,000-$300,000,000 in Governments would be indicated in order to provide gross earnings to absorb the higher taxes and provide a little overage. Would this ruin the capital ratio—the capital cushion would then be still over the 10:1 fetish—12% of earning assets. Does the bank have the excess reserves with which to add such a supply of Governments?—the Treasury will probably provide banks with ample reserves for buying Governments, because no bank would care to buy Governments yielding net of ¾% and have to borrow the reserves at the Federal at the rediscount rate.

This instance would appear to be an example of a large money center bank which probably could have made a stronger effort to maintain its dividend, in view of the high quality of its assets, high capital ratios, and apparent ability to carry a larger volume of Governments without straining capital ratio. In view of the official FDIC policy that a capital ratio of less than 10% is not objectionable, provided quality of assets is maintained, other money center banks should take a more constructive policy toward maintenance of dividends. Substantial expansion in Governments would support the War financing program, would not deteriorate quality of assets and would provide the gross with which to absorb higher taxes.

Ploughing back more than 10% of current earnings, at the expense of ruining bona fide investment sentiment for bank shares, would not appear feasible in view of the lack of any real pressure for building up capital ratios. Many stockholders, particularly institutional investors such as insurance companies, need the income. Why reduce dividends to maintain a preconceived ratio of ploughed back earnings, such as 40% in one case? There is no pressure to build up capital funds; the quality of bank assets is high. Mr. Crowley has indicated that low capital cushion does not mean ploughing back a larger or even maintained high portion of earnings, if qual-

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Reserve Fund 6,150,000
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The Securities Salesman's Corner

THE BOND SALESMAN HAS SOME MORE TO SAY ABOUT TAXES

It was on June 1, 1940, that Mr. Jerome Frank, who was then Chairman of the SEC, publicly expressed the pledge that the Commission would do everything in its power to "further the flow of private capital into private industry."

It is now almost two long years since Mr. Frank made this promise to the Chairman of the House Committee on Interstate & Foreign Commerce. Private capital is not flowing into private industry. Mr. Frank has become a Judge. Mr. Eicher who succeeded him is also a Judge. Mr. Purcell who succeeded Mr. Eicher we can assume is also on his way to becoming a Judge. If the SEC has done anything to speed the flow of private capital into industry there are many of us who as yet have not heard about it.

What has all this to do with Taxes, you may say? Only this one fact is certain. Private financing and the securities markets are just about ready to expire from complete inertia. Whether or not, any agency of government, or any official of a government bureau, ever expresses the opinion that private financing of business is desirable (and there may have been many such statements) *just as long as the present system of taxation upon Corporation earnings is in effect any progress in this respect will be almost nil. Excessive rates of taxation will speak louder than all the promises of all the bureaucrats when it comes to the actual results of lowered production, stagnant capital and lowered industrial morale.*

Look at the case of Lockheed aircraft. A fine company in a new and vital industry, if there ever was one. A company with an excellent growth record. Founded in the depression its capable management weathered the storms of financial hardship incident to a growing business during these past difficult years. Along came the war. Uncle Sam needed planes. Lockheed needed additional working capital. A little over a year ago the company entered the private capital market and we bond salesmen sold their stock to our customers at about thirty-one dollars a share.

Now let's see what has happened. Did Lockheed produce the planes for Uncle Sam. You only have to look at the figures for the year ended December, 1941, to see that they did. $144,000,000 worth of them (without Vultee's production) as against only $45,000,000 in 1940. The headlines carried the story Lockheed earns $6.14 per share in 1941 against $3.16 in 1940. The labor leaders, business baiters, and some politicians, add another case to their list of what they called "enormous war profits." Yet, today, our Lockheed stock has declined to $20 a share. Our investor clients have seen their principal impaired over 33% in market value.

But let us look a little deeper. Instead of the newspaper headlines quoted above what if they would have put it this way: "Lockheed pays Government cash sum of $19,600,000 in taxes, is allowed to keep $6,600,000 for its stockholders. This $6,000,000 is represented by additional brick, mortar, machinery, inventory, plans, designs, etc. that has been added to the productive power of the business. This would have been nearer the truth of the actual state of affairs.

One look at Lockheed's balance sheet on Dec. 31, tells this story. In order to finance the enormous increase in its payrolls, inventories and productive facilities our investors find that the company had to borrow $15,050,000 in notes payable that are now ahead of the stock they bought for $31 a share. Accounts payable have also increased about $9,000,000 over the same date 1940. A long term debt of $15,550,000 has been added and also takes precedence over the equity capital they have supplied. True enough the property and plant are now valued at about $15,000,000 more than the year before but who can tell what fixed assets may be worth if a business becomes overbuilt to take care of a temporary national emergency and then finds itself with surplus facilities in future years. This has happened before with devastating effect to stockholders equities. Then again our stockholder finds that his company's cash on hand has declined from almost $28,000,000 to about $9,000,000. But let's not forget—the tax collectors want $19,000,000 from Lockheed in 1942. They want it in cash—not in planes, machines, accounts receivable inventory, hot air or promises

When you look at a picture like this maybe there is another reason besides the pessimistic war news and the generally unfavorable outlook why Lockheed stock is today selling for $20 instead of $30 per share. Mr. Frank, Mr. Morgenthau, or P. T. Barnum himself couldn't get private capital to go to work with such examples as these before it.

The results of this "kill the goose to put some more political tax programs together" is beginning to actually "kill the goose." We see that just the other day, a Government bureau is going to finance the payrolls and inventory of the Lockheed company. In other words, the present tax has already squeezed this company dry so that along with its demands for more working capital, the Government itself now has to turn around and supply funds for this purpose.

But Mr. Morgenthau wants higher corporation taxes. Mr. Senator and Mr. Congressman want higher corporation taxes. Mr. President doesn't want a "sales tax." Mr. "Vote for Me" of any and all shades of political complexion wants more and more taxes on corporations but none where Mr. John Q. Public will see them when he pays them.

"This is the way our Government penalizes the savers of America for the benefit of the spenders of America. For the spenders always outnumber the savers and they are the ones who also keep the Government spenders in office."

The National City Bank has just completed a survey covering 112 Corporations that paid over $5,000,000 each in taxes in 1941. The companies showed total net income of $3,716,000,000 before deduction of their taxes. Income and excess profits taxes exceeded $2,119,000,000. If Mr. Frank put aside his legal robes and came back to the SEC, do you think there is anything he could do after seeing figures like these, that would encourage private capital to go to work? We don't.

If you are a bond salesman, investment dealer, or an investor why not sit down and write to your Congressman and tell him some of these things. We've got to raise a pile of money to pay for this war—that's true. But the sooner we begin to go where the money is, rather than keep on pegging away at the business corporations who are just about sucked dry already—the more the Treasury will receive and the better it will be for everybody. About one-third of the nation is now receiving in salaries and payrolls, a higher income than ever before. That great mass of the people who are the direct beneficiaries of time and a half for overtime have an income ahead of them for 1942 of $18,000,000,000. Present tax rates hardly touch this group. That's the place for Uncle Sam to get the dough—if he really wants it. Besides this is the spot to curb inflationary buying of every gadget under the sun, from waffle irons to saxaphones.

Note: This column never takes the position of knocking any stock. We don't know whether or not Lockheed today is an attractive investment or not. We only state this case as a typical example of one of the realities to prove our contentions. We would say however, that any salesman can find many similar situations that can be brought before his clients for investigation and the possible exchange into others where the outlook is less obscure.

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ity of bank assets is unimpeachable. Unless large scale expansion in Governments is to be characterized as potentially dangerous for solvency, therefore, banks owe it to their stockholders to try to maintain dividends. consistent with maintaining quality of assets, ploughing back a reasonable portion of earnings and covering higher taxes.

N. Y. Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following weekly firm changes:

Transfer of the Exchange membership of Herbert S. Whitman to Allan L. Melhado, New York City, will be considered on April 30.

The proposal that Archie M. Reid act as alternate on the floor of the Exchange for David A. Lowry, partner in Carlisle & Jacquelin, New York City, under Section 15, Article IX, will be considered by the Board of Governors, today.

Interest of the late Pierpont Davis, a special partner in Fellows Davis & Co., New York City, ceased as of April 14.

Cornelia I. Jordan, limited partner in Thomas Jordan & Co., New Orleans, La., withdrew from the firm as of April 15.

F. F. Janney has retired from partnership in Dean Witter & Co., San Francisco, Calif., effective March 31. Mr. Janney made his headquarters in Portland, Ore.

D. R. Collins & Co., New York City, retires as an Exchange member firm, as of today.

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Investment Trusts

Investment Company Reports

Chemical Fund, Inc.—March 31, 1942

The annual report of Chemical Fund, Inc. shows that the Fund's net assets on March 31, 1942, the end of its fiscal year, taking securities at market value, amounted to $7,556,426 compared with $7,852,061 a year ago.

During the fiscal year just closed the number of shares outstanding increased from 903,214 to 1,002,107. On the increased number of shares outstanding as of March 31, the asset value per share was $7.54 compared with $8.69 on shares outstanding March 31, 1941. Increased net income enabled the company to pay dividends of 38 cents per share during the year compared with 36 cents per share in the previous fiscal year.

Income received from cash and stock dividends during the fiscal year totalled $402,641.25. Expenses amounted to $59,757.41, leaving net income of $342,883.84.

The vital contributions of the chemical industry to the all-out war effort are discussed in the letter to stockholders. "The war has greatly increased the demand for many basic peace-time chemicals such as chlorine, ammonia, phenol and formaldehyde, and production facilities have been largely expanded," the report points out. "Large scale production of magnesium from sea water is a chemical engineering achievement of great importance to peace-time as well as military needs. A number of companies in the Fund's portfolio are making major contributions toward the creation of a synthetic rubber industry which not only helps to meet a war-time emergency but may make the country more independent of foreign sources. Other notable advances are being recorded in the fields of synthetic textile fibres, plastics, synthetic vitamins, drugs of the sulfonamide group, phosphate compounds for the enrichment of foods, drying oils for paints and varnishes, and fibre glass. One effect of the war has been to accelerate many chemical developments which while important now are likely to become of even greater importance in the post war years."

* * *

Eaton & Howard Balanced Fund—March 31, 1942

Net asset value of Eaton & Howard Balanced Fund on March 31, 1942 was $14.96 per share. At the end of the first quarter, 13.9% of the Fund was held in cash or invested in U. S. Government securities, 22.2% was invested in corporate bonds, 29.2% in preferred stocks, and 34.7% in common stocks.

* * *

Eaton & Howard Stock Fund—March 31, 1942

Net asset value of Eaton & Howard Stock Fund on March 31, 1942, was $8.65 per share. At the end of the first quarter, the Fund was 67.8% invested in stocks compared with 83.5% on Dec. 31, 1941, the balance being held in cash or invested in U. S. Defense Bonds.

* * *

Fundamental Investors, Inc.—March 31, 1942

Net assets of Fundamental Investors, Inc. on March 31, 1942 totalled $5,239,627.84. This was equivalent to $13.31 per share, representing a decline of 1.5% from the valuation of $13.51 per share at the close of the preceding quarter. This compares with a decline of 7.8% for Standard & Poor's 90 Stock Index, and with a decline of 10.3% for the Dow Jones Industrial Average.

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Income received from dividends during the quarter totalled $66,482.78. Expenses amounted to $12,102.11, leaving net income of $54,380.67.

George Emlen Roosevelt, President of Fundamental Investors, Inc. said in the letter to stockholders: "It is interesting to note that many companies are finding a position in the war production program where, a few months ago, their management despaired of being able to convert for war production or to continue making peace-time products. . . . Those industries which are not in a position to convert their facilities for war production or to supply civilian essentials will, of course, be seriously affected by priorities and raw material shortages. The operating results of various industries will vary widely as a result of these conditions. Some industries, despite higher taxes, will prosper, while others will be severely hurt, if not forced to go out of business.

"The investments of the Fund are well concentrated in the securities of those companies which, either directly or indirectly, are contributing to the war effort through the production of goods and materials used by the armed forces or through the supplying of materials or services to such producers. In changes made in the investments of the Fund during the past year and a half, particular attention has been given to building up a portfolio attuned to a war era."

* * *

National Bond and Share Corporation—March 31, 1942

National Bond and Share Corporation's assets at March 31,

(Continued on page 1618)

Municipal News & Notes

State and local revenues, already seriously menaced by wartime priorities, rationing and industrial conversion, are being threatened for the second time on another front. Representative Robert L. Doughton, Dem., N. C., Chairman of the House Ways and Means Committee, introduced a measure earlier this year, calling for the exemption from State and local taxes the sale, purchase, storage, use and consumption of property and services needed by firms with war contracts. The bill met a howl of protest from State and local officials all over the country, who contended that it would cripple many State functions.

A revised version of the measure has now appeared before the Ways and Means Committee, which will probably be considered along with other revenue measures, as no hearings are slated on the new bill. The original proposal was said to have the opposition of the Treasury Department because of its own crusade against municipal bond tax-exemption, and the new Doughton bill will probably be sabotaged from that source. However, the War and Navy Departments backed it from the start, on the ground that State and local levies interfere with the speedy placement and execution of war orders.

State Road Bonds Still Found Acceptable

Despite the undeniable prospect that as the war proceeds all States will be getting less and less income from so-called highway revenues (gas taxes and motor vehicle license fees) there is no letup on investment demand for better grade State highway bonds. This is largely because the debt service of highway bonds in many states is way below the income from gasoline taxes and motor vehicle license fees and in addition these highway bonds are general obligations of their States.

Obviously, then, highway revenues could stand a sharp decline before support from general taxation would be needed.

Maine Highway Bond Offering Big Success

An example of keen competitive bidding for bonds in the above category was the sale last Thursday by the State of Maine of $700,000 highway and bridge bonds at 100.155 for 1s, an interest cost basis of 0.9806%. The offering attracted widespread interest among municipal firms, with 17 bids being submitted. The award represented a near-record price for bonds of comparable maturity.

California Tax Collections Up

Tax collections for the State of California have increased 98% in the last five years, according to the new edition of Tax Systems just published by Commerce Clearing House, Inc.

The per capita tax levy in California for 1941 was $53.14 as against $30.66 in 1936.

This brought California up to first place in the size of the per capita levy from fourth place in 1936.

Although taxes for the larger cities have generally fallen off throughout the country, those of San Francisco and Los Angeles have increased in three recent years, the publication finds.

Greenwich, Conn., Doing Nicely

If anyone has the mistaken idea that the traditional shrewdness of the Connecticut Yankee is dead, he should read the annual report of Greenwich. That town, which is operating on a pay-as-you-go basis at a time when deficit-financing seems to be increasingly popular, finds itself in a better fiscal position with the passing of each year.

This latest report shows that Greenwich has reduced its indebtedness by more than $4,000,000 since 1935, and at the end of 1941 it had a cash surplus of more than $128,000. Moreover, this record was achieved with a tax rate of only 18.9 mills.

There is no magic in the Greenwich report, but there is a lesson for municipal authorities elsewhere who have forgotten that a little common sense applied to the management of a town's affairs will produce real dividends for its taxpayers.

Chelsea, Mass., Faces Problem

Mayor Bernard E. Sullivan of Chelsea, Mass., told War Production Board officials last week that his city of 40,000 population might be taken over by the State unless private industries obtained war orders.

He said that the Boston suburb had a tax rate of $49.80 on $1,000—the highest in Massachusetts—primarily because the Federal Government had acquired property which now was tax exempt.

To counterbalance this loss in tax revenue—he estimated that the Government soon would have one-tenth of the city's taxable property—he asked the WPB to utilize existing industrial plants for war use.

Additional Housing Authority Notes Offered

Yesterday 15 more local public housing agencies considered bids on $17,954,000 temporary loan notes, all dated May 6, 1942, and maturing from Sept. 30, 1942 to May 4, 1943. This is the second successive week that groups of local agencies have offered short-term paper. More than $76,000,000 of such temporary loan notes were sold Wednesday and Thursday of last week at rates ranging from .54 to .82%.

The largest offering in the group of housings yesterday was $5,150,000 notes of Providence, R. I., housing authority due Nov. 10, 1942. Following in size is the offering of $4,260,000 notes by the Hartford, Conn., housing authority, due May 4, 1943.

A plausible reason for this influx of housing authority paper appears to be that all of the issues now coming into the market finance defense housing. Since housing conditions in many key areas are still poor, prospects are for a substantial volume of these securities.

Miami Sale Cancelled

The City of Miami, Fla., last week furnished a prime instance in the municipal financing calendar of a bond sale failing to go through because of priority difficulties. In this case, the city was unable to obtain satisfactory assurances that priorities would be forthcoming for its hospital construction and deferred the sale of $750,000 hospital revenue bonds.

Massachusetts Sells Bonds

Halsey, Stuart & Co., Inc., and associates won Tuesday the award of $2,000,000 water bonds of the Commonwealth of Massachusetts on a bid of 101.243 for 1½s. The bonds, dated Jan. 1, 1942, were reoffered at prices to yield from 0.30 to 1.50%, for maturities from Jan. 1, 1943 to 1972.

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Major Sales Scheduled

We list herewith the more important municipal offerings ($500,000 or over — short term issues excluded), which are to come up in the near future. The names of the successful bidder and the runner-up for the last previous issue sold are also appended.

April 23 (Today)

$6,000,000 Indianapolis, Ind.

This current offering consists of gas utility revenue bonds. On May 29, 1941, the city awarded hospital bonds to the Harris Trust & Savings Bank of Chicago, while Lazard Freres & Co. of New York, and associates, headed the various unsuccessful bidders for the $250,000 issue.

May 5

$5,800,000 Allegheny Co., Pa.

This offering was for $6,800,000 originally and had been scheduled for April 28. On the latest sale by the county, Lazard Freres & Co. of New York, headed the successful syndicate in April, 1941. Next best bid was entered by Harriman Ripley & Co., Inc., of New York, and associates.

May 7

$608,337.72 Utica, N. Y.

Last September, the city awarded bonds to Dick & Merle-Smith of New York. Second best offer was submitted by Lehman Bros. of New York, and associates.

May 19

$505,000 Albuquerque, N. Mex.

This city last sold bonds in February, 1940, the award going to Sidlo, Simons, Roberts & Co., and the J. K. Mullen Investment Co., both of Denver, jointly.

Feb. Exchange Sales: Market Value Down 39%

The Securities and Exchange Commission announces that the market value of total sales on all registered securities exchanges for February 1942 amounted to $385,857,078, a decrease of 39.5% from the market value of total sales for January, and a decrease of 22.0% from the market value of total sales for February 1941. Stock sales, excluding right and warrant sales, according to the Commission, had a market value of $296,384,909, a decrease of 42.1% from January. Bond sales were valued at $89,449,376, a decrease of 28.9% from January. The value of right and warrant sales totaled $22,793, involving 43,152 units.

The SEC further reported:

> The volume of stock sales, excluding right and warrant sales, was 13,974,843 shares, a decrease of 48.6% from January. Total principal amount of bond sales was $178,408,700, a decrease of 30.3% from January.
>
> The two New York exchanges accounted for 93.4% of the market value of total sales, 91.5% of the market value of stock sales, and 99.9% of the market value of bond sales on all registered securities exchanges.

Home Insurance Study

Robert H. Huff, President of Butler-Huff & Co. of California, 210 West Seventh St., Los Angeles, has prepared a study of the Home Insurance Company of New York, which discusses the history and development of the company, its present position and outlook, from the viewpoint of the investor in its capital stock. Copies of the study, and also a brief analysis of Westchester Fire Insurance Company of New York, may be had from Butler-Huff & Co. upon request.

SEC Analyzes Saving

In response to a growing demand as a result of the war program for detailed data on the volume and composition of saving by individuals in the United States, the SEC on April 15 made public an analysis of individuals' saving for the fourth quarter of 1941. This compilation shows the aggregate volume of individuals' saving, i.e., the increase in their assets less the increase in their liabilities, exclusive of gains or losses from revaluation of assets. Shown also for the first time are the components contributing to this total, such as bank balances and currency holdings, insurance, securities, consumers' indebtedness, and consumers' durable goods.

The Commission's announcement went on to say:

> Individuals' saving in all forms in the fourth quarter amounted to $6,800,000,000. Their saving exclusive of durable goods totaled $3,800,000,000. This was the highest quarterly volume of saving on record and is explained in large part by the high level of their income. Individuals' saving thus far apparently has not increased markedly out of proportion to their total income, according to the indications of these data. In other words, there is little evidence as yet of any unusual diversion from consumption into saving.
>
> Federal Government securities accounted for $1,900,000,000, or 27% of individuals' gross saving in the fourth quarter, compared with 8% in the third quarter of 1941, and not much over 1% in the last quarter of 1940. The analysis indicates that a considerable part of saving in Federal Government securities was financed by the curtailment of current saving in other forms rather than by curtailment of consumption. In reflection of this tendency, current saving by individuals in the form of cash and deposits dropped off in absolute terms and decreased markedly relative to total saving; these items totaled only 17% of individuals' saving in the fourth quarter as compared with 26% in the preceding quarter and 32% in the fourth quarter of 1940.
>
> In addition to showing the diversion of saving from currency and bank deposits into Government securities, the figures for the last quarter show that expenditure on automobiles and other durable consumers' goods was $2,400,000,000, an amount almost identical with that in the fourth quarter of 1940. Individuals' expenditure on homes amounted to $600,000,000, also about the level of the last three months of 1940. In spite of anticipated shortages and price rises, purchases of durable goods during the last quarter of 1941 were not disproportionate in relation to the amount of disposable income in individuals' hands, remaining in line with the average relationship which had prevailed in earlier years. A slight reduction of individuals' debt which had been incurred in the purchase of automobiles and other durable consumers' goods was recorded, indicating that consumers were not making net additions to their indebtedness for the purpose of stocking up on consumers' durable goods, though such net addition to debt have been typical of earlier periods of increased income.
>
> Of the remaining components of individuals' saving in the fourth quarter, the most important was the growth in their equity in insurance and pension reserves. This increase was in line with the higher level of income payments. Finally, there was, as in each of the preceding quarters in 1941, a small decline in individuals' equity in corporate securities. The primary reason for this change was a net shift in the ownership of outstanding corporate bonds from individuals to non-individuals, largely life insurance companies.

Govt. Issues 95% Of Feb. Cash Offerings

The Securities and Exchange Comimssion announced on April 15 that new issues of securities ofered for cash in February amounted to $2,335,000,000 of which almost 95% were United States Government securities. This amount says the Commission exceeds by a slight margin the December, 1941 total of $2,319,000,000, (which was the highest monthly figure on record since this series began in 1934) and represents the largest amount of money raised through the sale of securities since the subscriptions to Liberty Loan bonds in 1918. The Commission further reports:

> Cash sales of securities of the United States Government included $1,512,000,000 of 2¼% Treasury Bonds, due 1955, and $703,000,000 of Savings Bonds, (Sales of Treasury Bills and Tax Series Notes are not included in these statisitcs.)
>
> The survey, which was prepared by the Research and Statistics Subdivision of the Trading and Exchange Division, covers all new corporate and non-corporate issues offered for cash that are reported in the financial press, with the exception of issues under $100,000 in amount and, in the case of debt issues, of a maturity of less than one year.
>
> Corporate flotations declined to $78,000,000, which is the lowest figure since May, 1939. A decrease was also shown in the offerings of state and municipal obligations, which amounted to $41,000,000.
>
> Of total corporate flotations, industrial companies issued $39,000,000 of new securities, utility companies, $35,000,000, and railroad companies, $4,000,000. Bonds, notes and debentures comprised $58,000,000 of the offerings and preferred stocks, $19,000,000.
>
> New money purposes took $39,000,000 or 52% of estimated net proceeds raised from corporate flotations, of which $34,000,000 was designated for plant and equipment and $5,000,000 for additions to working capital. The amount of money allocated to repayment of indebtedness and retirement of preferred stock was $26,000,000, or 34% of total net proceeds. This amount included $12,000,000 for retirement of funded debt (the lowest amount in any month since March 1938), $11,000,000 for retirement of preferred stock, and $2,000,000 for repayment of other debt. The remaining $11,000,000, or 14%, was to be used primarily for the acquisition of securities for purposes of affiliation.

Coal & Iron Co. Attractive

According to a circular just issued by Schoonover, deWillers & Co., Inc., 120 Broadway, New York City, the current situation in Philadelphia & Reading Coal & Iron Co. 5s of 1973 and 6s of 1949 offers exceptionally attractive possibilities, particularly for retail. (The company is in the process of reorganization). Copies of the circular may be had upon request from Schoonover, deWillers & Co.

Haley With McAlister

(Special to The Financial Chronicle)

GREENSBORO, N. C. — Sidney William Haley has become associated with McAlister, Smith & Pate, Inc., whose main office is located in the Woodside Building, Greenville, S. C.

Federal Reserve Board Reports Industrial Activity Continued At High Rate In March

The Board of Governors of the Federal Reserve System reported on April 22, in its monthly summary of general business and financial conditions, that industrial activity continued at a high rate in March and the first half of April. Distribution of commodities to consumers was maintained in large volume and commodity prices advanced further, the Board pointed out. Its summary continued:

Production

Volume of industrial production increased seasonally in March and the Board's adjusted index remained at 172% of the 1935-39 average. Output of durable manufactured products, now mostly war materials, continued to advance, reflecting mainly increased activity in the iron and steel, machinery, aviation, and shipbuilding industries. Production of lumber and cement, which had been maintained at unusually high levels during the winter months, increased less than seasonally in March.

In most industries manufacturing non-durable goods activity was sustained at earlier high levels. In some, however, notably wool textiles and petroleum refining, there were declines owing to restrictions on production for civilian use and, in the case of petroleum products, to transportation difficulties. Mineral production declined in March and the first half of April, reflecting sharp curtailment in output of crude petroleum. Coal production, which usually declines at this season, was maintained in large volume. The Great Lakes shipping season opened in the latter part of March and the first boatload of iron ore reached lower Lake ports 12 days earlier than the record set last year. Shipments during the coming season are expected to exceed considerably the total of 80,000,000 gross tons brought down the Lakes last year.

Value of construction contract awards continued to increase in March, according to figures of the F. W. Dodge Corp. and the level of the first quarter of 1942 was the highest in recent years, being some 30% above that of the corresponding period last year. Awards for public work amounted to close to 80% of the total and in the residential field accounted for 52% of the value of all projects. Publicly-financed contracts for factory construction showed a sharp increase, partly offset in the total by the decline in private factory construction.

On Apr. 9 the War Production Board issued an order which required explicit permission of the Government for initiation of all new private construction involving expenditures in excess of specified small amounts and not covered by specific priority ratings.

Distribution

Value of retail trade in March continued at the high level of other recent months, making allowance for customary seasonal changes. Sales at department and variety stores increased by somewhat less than the usual seasonal amount while sales by mail-order houses rose more than seasonally.

On the railroads total loadings of revenue freight were maintained in large volume in March and the first half of April. Shipments of coal and coke declined less than seasonally and ore loadings increased sharply, while grain shipments declined further from the peak reached in January. Loadings of miscellaneous merchandise, which had been unusually large in the preceding three months, increased less than seasonally.

Commodity Prices

The general level of wholesale commodity prices advanced 1½% further from the middle of March to the middle of April. Among manufactured products, finished consumers' goods, such as foods, clothing, and shoes, continued to show the largest price increases. Prices of most raw materials were unchanged or showed increases which in a number of cases reflected the raising of Federal maximum price levels. There were declines in prices of wheat and of a few other commodities, including gasoline at Gulf ports and turpentine.

In retail markets maximum prices were fixed in this period for a number of electrical products, most of which will no longer be produced for civilian use after May 31. Prices of many other commodities and services advanced further.

Bank Credit

During the four weeks ending Apr. 15 holdings of Government securities at banks in leading cities increased by nearly $700,000,000, while commercial loans declined somewhat, following a rise in previous weeks. Changes in member bank reserves and deposits reflected principally the temporary effects of Treasury operations in connection with income tax collection and the sale of certificates of indebtedness. Money in circulation continued to increase.

United States Government Security Prices

Following an advance from the mid-February low, prices of U. S. Government bonds remained relatively steady in the first half of April.

Treasury Asks 10% Of Income Put Into War Bonds

The Treasury Department announced on April 19 plans for a war-bond quota system under which every person in the Nation's 3,070 counties will be urged to put at least 10% of their incomes into war savings bonds or stamps. The campaign will begin on May 1 and it is the Treasury's plan, Secretary Morgenthau explained, to reach every person in the United States who receives an income of any sort, and to reach him as quickly as possible. It is expected that this new voluntary plan for the purchase of war bonds will bring purchases by July to more than twice the previous monthly totals. These amounted to $1,000,000,000 a month in January, but recently dropped to about $500,000,000. The May quotas for States and counties will be released soon and will be revised and stepped up in succeeding months, it was pointed out.

New Submarine Program

The House on April 16 unanimously passed a bill authorizing a $900,000,000 submarine building program. The legislation provides for immediate construction of an additional 200,000 tons of submarines, which it is said, would about double the present authorization of the country's underseas craft. Representative Vinson (Dem., Ga.), Chairman of the Naval Affairs Committee, and sponsor of the measure, said it would provide for "more than 100" new submarines. The legislation now goes to the Senate.

9,858 New Freight Cars In Service in March

The Association of American Railroads on April 18 announced that Class I railroads put in service 9,858 new freight cars in March, 1942, which brought to 27,263 the total number installed in the first three months of this year, there having been 9,262 in February and 8,143 in January. In the same period last year the railroads put 18,464 new freight cars in service. Of the total number installed in the three months' period this year, there were 18,714 box, 7,664 coal, 205 refrigerator, 574 flat, and 106 miscellaneous freight cars.

New freight cars on order on April 1, 1942, totaled 69,515 compared with 70,602 on March 1 this year and 42,335 on April 1, 1941. Class I railroads had on order on April 1 this year 34,488 box, 29,431 coal, 3,135 flat, 1,199 refrigerator, 300 stock, and 962 miscellaneous freight cars.

Class I railroads also had 930 new locomotives on order on April 1, 1942, of which 426 were steam and 504 were electric and Diesel. On March 1, this year, they had 351 new locomotives on order which included 300 steam and 351 electric and Diesel. Locomotives on order on April 1, 1941, totaled 335, of which 166 were steam and 169 were electric and Diesel.

Railroads in the first three months of 1942 installed 179 new locomotives of which 78 were steam and 101 were electric and Diesel. In the same period in 1941, they put in service 123 which included 27 steam and 96 electric and Diesel.

U. S., Canada Agree On Use Of Joint Farm Resources

The United States and Canada have concluded joint arrangements to increase the production of certain important crops and to facilitate seasonal movements of farm labor and machinery across the border, according to announcement made simultaneously in Washington and Ottawa on April 10. The two joint arrangements, which had been recommended by the Joint Economic Committees of the two countries, have been approved by President Roosevelt and Prime Minister W. L. Mackenzie King. The announcement issued by Stephen Early, Secretary to the President, says:

> The first arrangement provides for increasing the production of oil-bearing crops in the United States and of oats, barley and flax in Canada, to meet war-time needs for both countries. The second arrangement provides for facilitating the seasonal movement of farm labor and machinery across the common boundary.

Taxes, Spending At Record

The Treasury Department reported on April 2 that income and excess profits tax revenues in March aggregated $3,082,627,146, which compares with the previous record of $1,207,512,892 made in March, 1941. Total net receipts for March were $3,547,169,479 against $1,566,408,380 in March, 1941. For the fiscal year 1942 to date they were $9,048,703,679, compared to $5,372,101,790 at the corresponding period last year.

Cash outlay for war activities set a new peak in March of $2,796,957,580 as against $768,981,537 a year ago. Total expenditures in March for all purposes were $3,436,300,832 compared with $1,400,674,655 in March, 1941. Thus, despite the increase in expenditures in March, there was an excess of receipts, including public debt retirements of $110,863,847 during the month. However, for the nine months of the 1941-42 fiscal year, the Government has spent $20,249,967,607 and taken in $9,048,703,679, leaving a deficit of $11,201,263,928.

No More Golf Clubs: WPB

The War Production Board on April 9 ordered the manufacture of golf clubs halted on May 31 and curtailed production up to that date. The order prohibits the use of iron and steel, other critical materials, plastics and cork in the manufacture of clubs. On April 1 production of golf balls was entirely stopped, under terms of a WPB order issued in December, to conserve rubber.

M. D. Moore, chief of the miscellaneous section of the WPB Durable Goods branch, said that neither the golf club industry nor the supply of clubs would be materially affected this year because production is highly seasonal. It reaches its peak between October and February.

President Roosevelt has expressed the opinion that wartime golf, along with baseball and other recreational pursuits, would not hamper, but actually improve the war effort if pursued within reasonable limits.

WPB Orders Speed Up

The tremendously accelerated pace at which orders have been placed for war supplies and equipment since the Japanese attack on Pearl Harbor was revealed on April 7 by the War Production Board, which states:

> Contracts and other commitments in February amounted to $20,892,000,000, compared with $8,414,000,000 in January, $5,132,000,000 in December, and $1,782,000,000 in November.
>
> Commitments embrace contracts, letters of intent and other obligations incurred by the United States Government for war purposes, including expenditures for the pay, subsistence and travel of the armed forces during the month. Between June, 1940, and the end of February, 1942, such commitments reached a total of $81,835,000,000. This was three-fourths of all funds voted by Congress for war purposes or made available by the Reconstruction Finance Corporation and its subsidiaries.

U. S. Pacific War Aid

President Roosevelt presented to the Pacific War Council on April 7 a review of American reinforcements of men and materials which have been sent to the various points in the Pacific war sector. Representatives of the seven nations on the Council—United States, Great Britain, China, The Netherlands, Australia, New Zealand and Canada—were present at the second meeting of the group. No details of the President's discussion were disclosed but members of the Council said the picture given was encouraging.

Creation of the Council and its first meeting were reported in these columns of April 9, page 1446.

"I Am An American" Day

President Roosevelt issued on April 8 a proclamation designating Sunday, May 17, as "I Am An American Day" and urged that the day be set aside "as a public occasion for the recognition of all our citizens who have attained their majority or who have been naturalized during the past year." The President called for special exercises to impress upon all citizens "the duties and opportunities of citizenship and its special responsibilities in a nation at war."

Interest exempt from all present Federal Income Taxation

$2,000,000

Commonwealth of Massachusetts

Registered 1½% Bonds

Due serially January 1, 1943 to 1972, inclusive

Legal Investment, in our opinion, for Savings Banks in New York, Massachusetts and Connecticut

These Bonds, to be issued for water purposes, in the opinion of the Attorney General of the Commonwealth of Massachusetts, will constitute direct and general obligations of the Commonwealth, for the payment of which the full faith and credit of the Commonwealth are pledged.

Prices to yield 0.30% to 1.50%

These bonds are offered when, as and if issued and received by us and subject to approval of legality by the Attorney General of the Commonwealth, whose opinion will be furnished upon delivery.

HALSEY, STUART & CO. Inc.
BLAIR & CO. INC.
LADENBURG, THALMANN & CO.
DICK & MERLE-SMITH
GRAHAM, PARSONS & CO.
ADAMS, McENTEE & CO. INCORPORATED
GEO. B. GIBBONS & CO. INCORPORATED
FIRST OF MICHIGAN CORPORATION
BOND, JUDGE & CO., INC. BOSTON
H. T. GREENWOOD & CO. PHILADELPHIA

Dated January 1, 1942. Principal and semi-annual interest, January 1 and July 1, payable in Boston, Mass. Fully registered bonds in the denomination of $1,000 or multiples thereof. The information contained herein has been carefully compiled from sources considered reliable, and while not guaranteed as to completeness or accuracy, we believe it to be correct as to this date.

April 23, 1942.

Our Reporter On "Governments"

(Continued from First Page)

(3) The solvency of the nation's major institutions depends upon the stability of Government bond prices and the Treasury recognizes that angle as much as you do. . . .

(4) You must buy Governments in the coming months; you must get income; your stability must be assured; your position is no different from that of thousands of other investors. . . .

Study these four considerations and you'll come to an important conclusion. . . . Namely, that this is the time to institute a prime policy of shifting from short-term Governments into intermediates and longs. . . .

Specific Suggestions

If you agree with the statements made so far, these suggestions may be of aid:

Do your own refunding and do it now. . . . For instance, you may find it helpful to concentrate on a certain issue, maturing soon—such as the HOLC 2¼s or the RFC 1s or any of the Treasury notes due this year or next—and to confine switching operations to one issue at a time. . . . You might sell any of the short-terms and buy bonds due in the early '50s. . . . (The 2¼s deserve special attention.) . . .

Your program may be simplified if you spread your maturities from the four-year category outward. . . . Heaviest emphasis may be placed on the early 1950 issues. . . . Least on the longest-terms. . . .

A superficial mathematical calculation will show you that you can double your income just by extending your maturities by five years—from the shorts to the intermediates. . . .

Inside The Market

More will be written on fundamental policy considerations next week. . . . In the meantime, here are some technical points of interest. . . .

Feeling of experts is next financing will come in May and conviction is growing that long-terms will be offered after all. . . .

Big refunding generally expected either in late May or early June, for Morgenthau is expected to refund the $875,000,000 HOLC 2¼s of 7/1/55/42 in near future and he must refund the $276,000,000 RFC 1s of 7/1/42 before that date. . . . Story is a new taxable 2¼ may be offered to holders of the HOLC's. . . .

One angle not recognized is that biggest Treasury successes with new money issues have occurred at times when Morgenthau also has managed a refunding. . . . It's assumed Treasury realizes this and so a possibility is new money issue and refunding deal will be tied together. . . . May might be the month, says one authority. . . .

"Unusual" methods of financing not anticipated until June—the month Morgenthau said he would decide whether defense bond sales on a voluntary basis could be put over. . . .

If you're interested in shorts despite arguments above, you may find an attractive issue in the 1⅛s of June 15, 1943, which mature at a good time (right before the fiscal year ends) and which yield .26%. . . .

Life insurance company investments in Governments are averaging double last year's purchases to the same date. . . . But insurance companies bought only meagre amounts of the certificates—as was anticipated. . . .

Buying Tax-Exempts

Investigation of one expert suggests a good time to invest in the tax-exempts is right around a new financing date, for that's when institutions switch out of their holdings into the new offering and re-arrange their portfolios generally. . . .

It's a sound argument for all concerned. . . . As for the purchase of tax-exempts, that seems a better idea as every week passes. . . . Chances of removal of tax-exemption privileges seem to dwindle all the time. . . . Heavy surtaxes, of course, and heavier taxes all around must be expected. . . . But protection lies in buying the tax-exempts still out. . . . They'll become scarcer every other month; they'll get a value from this scarcity that may put them far above the yield-differentials now forecast. . . .

Investment Trusts

(Continued from page 1615)

1942 were equivalent to $18.06 per share compared with $19.57 per share on Dec. 31, 1941. Assets totalled $6,501,778.24 on March 31, 1942.

Investment Company Briefs

"Every business will feel the effect of the war economy even though it may appear to be remote from the war effort. A preliminary survey by Boston Fiduciary and Research Associates covering all manufacturing companies indicates that about *one-third* of them will be able to deal with the war economy in fairly satisfactory fashion — but that *two-thirds* of the companies will be hurt by it to a greater or lesser extent.

"The divergent action of individual securities—and of classes of securities—since Pearl Harbor —gives ample warning of a highly selective wartime market. . . .

"Every security purchased during peacetime should be challenged—and a large question mark should be set against it. If its prospects under war economy justify its retention, it should be held. If not, it should be replaced —while there is yet time."—*Keynotes*, The Keystone Corporation of Boston.

"In 1941 the 23 insurance companies, in which Insurance Group Shares provides ownership, wrote the largest volume of business in their history. . . . Net premiums written by these companies in 1941 totaled $411,166,000.00 an increase of 4.1% over the previous peak of $395,119,000.00 established in 1926 and of 5.5% over the 1929 volume of $389,530,000.00. This increase is particularly significant in view of the 28% decline in premium rates since 1926, for after adjustment for this, the value of total risks written in 1941 was in excess of 50% above the 1926 total. . . .

"It is of interest to note that the increase in premium writings is not just a sudden spurt of one year over the previous year, but represents a trend that has been developing over a period of several years. . . . The outlook for 1942 is that this upward trend will continue and that a still greater volume of business will be written. Thus, larger funds will be available to the companies for investment in income-producing securities, a situation which will tend to offset the possibility of lower dividend payments by industrial corporations. Fire losses this year are running somewhat above last year, which is to be expected under war conditions. However, in view of the higher volume of premium writings, it does not necessarily follow that the loss ratio will be higher, it might even be lower than last year, and certainly it is not unlikely that the expense ratio will be lower, despite a higher tax burden. It is believed that dividends of these 23 companies in 1942 will be maintained at the 1941 level; first quarter dividends have all been declared and show no change."

* * *

Conditions are being changed—not through the interplay of economic forces alone, but also through explicit government action—taxes, price control, rationing, etc., according to the American Business Shares *News Letter*, and hence preparation—for these new conditions is the key of the day in investment management.

"The arrival of April saw the end of the movement toward conservatism in the ABS portfolio," according to the *News Letter*. "The managers of ABS feel that at some point in any such phase, it is time to say "as of this date the time is over and past for steps toward conservatism. From now on, the question of when and what to buy has the spot-light—the curtain is down on the question of when and what to sell."

* * *

Hugh W. Long and Company, sponsors of Manhattan Bond Fund report that: "A short time ago we mailed *An Answer to Today's 2 Problems* to our correspondent dealers. Two things happened: (1) Two large printings already are exhausted with a third on the press and (2) Sales of Manhattan in March *more than tripled* the previous month."

Our Reporter's Report

(Continued from first page)

tion, in its report presented to the Association's Executive Council, now in session at French Lick Springs, Ind.

"They are fought also in the arena of finance," the report continued, "for bad finance may mean inflation and disorder which, in their turn, delay production at vital points, where a week's or even a day's difference in deliveries of funds and ships might lose a battle or a campaign."

Noting the Treasury's projected war outlays for the fiscal years 1942 and 1943, totaling some 52.5 billions of dollars, the Commission said "we can finance this vast undertaking, but the choice of methods—the way it is done—will affect directly the efficiency of our war effort.

"To help avoid 'damaging inflation,'" the report urged that "the greatest part of this sum be obtained from current income of people which might otherwise be spent. The sale of war bonds through payroll deductions," it maintained, "does exactly this."

Excess Reserves Slump

Heavy withdrawals by the Treasury from its deposits in this area and throughout the country have been finding reflection in sharp contraction in the total of banks' excess reserves.

The close of last week found such excess funds in the hands of New York banks reduced to around $720,000,000, with a further decline indicated for the period ended last night.

While there has been sporadic evidence of some slight tightening in short-term money rates, the fall in reserves has not found any reflection in the long-term bond market.

The latter situation doubtless is influenced by the generally held belief that the U. S. Treasury, faced with the enormous burden of financing the war, will hold fast to its avowed easy credit program.

Could Change Situation

Should it become necessary, the Treasury, through the Federal Reserve Board, could ease the situation as regards banks' reserves quite readily.

When such reserves were soaring a few years back in consequence of heavy gold imports, and other elements entering into the situation, the Reserve Board put the reserve requirements for member banks up to the full limit permitted under the law.

Should it now develop that hardening of basic money rates is threatened in consequence of the protracted decline in surplus bank reserves, the Board could, through reducing member bank reserve requirements, act quickly to ease the situation.

Treasury Financing

It still looks as though the current lull in the corporate new securities market is destined to hold for a time.

But the Treasury promises to be busy at the job of raising war loans. Having only put the finishing touches to its most recent undertaking, the sale of $1,500,000,000 new securities, it is looking the market over with an eye to flotation of another sizable issue.

Chances are, it is felt, that on the next occasion the Treasury will seek to broaden the scope of its appeal, and perhaps include at least a portion of intermediate notes, while very likely again employing the certificate of indebtedness which had proved attractive a month ago.

War Bonds Held Investment Stimulus

(Continued from First Page)

an awakened interest in financial subjects among buyers of War Bonds. A securities broker located in a Mid-Western city of 50,000 inhabitants reports that, to his surprise, his office has become a clearing house of information not only about War Bond issues but also in regard to other investments, taxes, lease-lend transactions, and so on.

The community is the center of a prosperous farming area. The War Bond campaign, over the radio and in the printed news, is bringing a great deal of money forward to assist in the war effort. The division of the Bonds into series—E, F and G—has aroused investors to inquire about the different characteristics of their issues. Buyers want to know how taxes current and problematical, will affect their incomes. They inquire for assistance in apportioning their investments so that their net incomes may be maintained as fully as possible. In many cases, involving individuals whom the broker had not previously heard of, the inquirers often desire to invest some "extra" money in securities in addition to War Bonds.

The business moral of this broker's experience seems to be that times call for broad-gauge informational service to persons who, before War Bonds came into the limelight, were thinking little about investment. The market setting and the public attitude toward securities is quite different from what they were in 1917-18. In those years, the Treasury's offerings of bonds in order to prosecute the war came into an atmosphere saturated with speculation. The "war baby" stock excitement had been rampant for a year and a half. The buyers of Liberty Bonds were encouraged to borrow in order to pay for them. This system, while it did not directly encourage liquidation of the bonds as soon as the crisis was over, acted to cause the Government issues to be "lightly" held.

Buying to Hold

On the present occasion War Bonds are being bought to be kept. They are being sold on an *investment* basis, with much stress being laid upon yield and security. Furthermore, the Bonds may neither be sold in the open market nor pledged for loans. And the seriousness of the world conflict has acted to restrain speculation in all securities.

It seems obvious that, so far as brokerage service in securities is concerned, realism calls for painstaking research into investment values—with income return stressed more importantly than the expectation of capital appreciation.

"The task of assisting buyers of War Bonds," reports the Mid-Western broker, "has proved to my satisfaction that specialization — the bond man adhering to bonds and the customers' broker to stocks—is going out of the picture. The breadth of information that War Bond buyers' desire amazes me. After they decide upon the series which fills their needs as investments, they pursue inquiries among other kinds of securities which best fit their incomes, reserves, tax bracket, and business prospects.

"Conditions require that brokers be widely informed about all kinds of securities. Not many of the people who come to my office express interest in a stock or bond because 'it ought to go higher,' but they are impressed by facts about a bond or a stock that is 'worth owning' because of demonstrated earning power behind it or a record of excellent management of the issuing corporation.

"War Bonds have sharpened the interest of millions of people in securities."

China Given Credit

The first $200,000,000 of the $500,000,000 credit established by the United States for China has been turned over to that country, the Treasury Department announced on April 16. The transaction involved transfer of this amount to an account in the Federal Reserve Bank of New York in the name of the Chinese Republic. The remaining $300,000,000 will be transferred whenever the Chinese Minister of Finance requests it.

The United States extended this financial aid in order to help China meet the financial and economic burdens imposed on that country and its people by the war with Japan.

The text of the financial aid pact was given in these columns of April 16, page 1545.

Bankers Bond Anniversary

The Bankers Bond Co., Inc., Kentucky Home Life Building, is commemorating its own 20th anniversary and the 150th anniversary of Kentucky's admission to the Union as the 15th State, with a most attractive historical map of Kentucky. On the map are shown industries and products local to the different sections of the State, which is bordered with a frieze of scenes from Kentucky's history.

Wedding Bells For Maguire

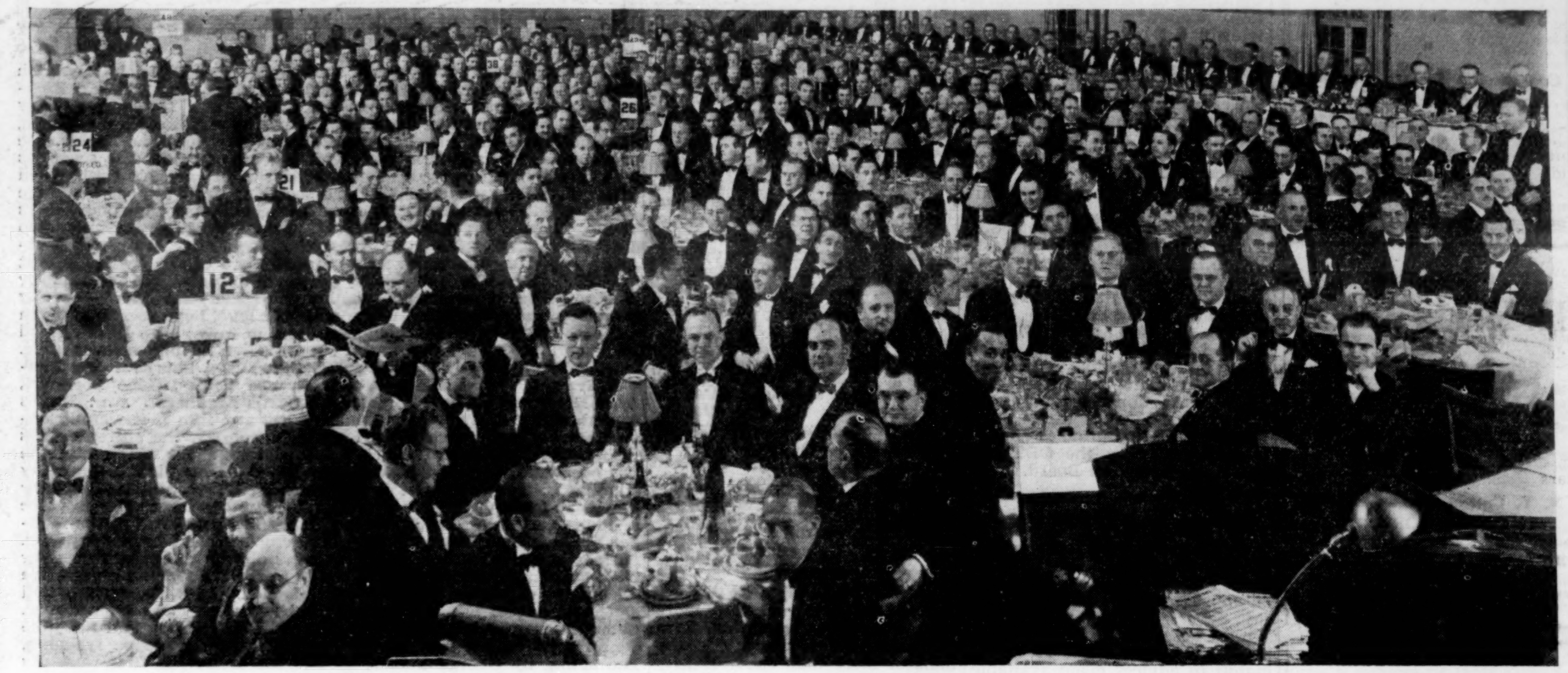
The marriage of Margaret Donovan to James B. Maguire of Elwell & Co., Inc., 24 Federal St., Boston, Mass., on April 18, is announced. The couple is honeymooning at Sea Island, off the coast of Georgia.

Mr. Maguire expects to be inducted into the armed forces in about two months.

In New Location

Van Tuyl & Abbe announce the removal of their offices to 72 Wall St., New York City, from their former location at 60 Wall St.

« « At The Security Traders Association Of New York Dinner » »



More than seven hundred members and guests, representing traders from Coast to Coast, attended the annual STANY Dinner at the Roosevelt Hotel on April 17th. Allen (Tom) Moore of H. Hentz & Co. was chairman of the committee in charge of the dinner.

ABA Wartime Finance Conference In September To Replace Annual Convention

Recognizing that the Nation's wartime needs and problems transcend all other interests in times like these, the American Bankers Association will hold a National Conference on Wartime Finance in Detroit next September in place of its annual convention, it was decided by the Executive Council of the Association at its annual spring meeting on April 21 at French Lick Springs, Ind. The dates will be Sept. 28-30. The announcement of the Association states:

> The plan contemplates an intensive conference on all phases of wartime finance in which field of activity the banks will make their greatest contribution to the war effort. Leaders from banking and Government alike will be in attendance to contribute to its deliberations and discussions.
>
> The program will be cut down by a day and a half. Whereas convention has in the past run from Monday morning to Thursday night, the Conference on Wartime Finance will conclude at noon on Wednesday. Entertainment will be eliminated. The usual golf tournament will be omitted. And the inauguration of new officers of divisions and of the Association itself will take place at the close of the final session Wednesday morning. As part of the conference, it is hoped that an opportunity will be given to the delegates to see something of the operation of war plants in the Detroit area.
>
> A new type of meeting for bankers will be undertaken on Sunday evening, Sept. 27, preceding the opening of the conference. This will take the form of an inspirational meeting with a background of American music and an address by a speaker of note. Committee meetings will be held all day Sunday.
>
> It is not contemplated that the essential business of the Association will be restricted. The five divisions, National Bank, State Bank, Savings and Trust divisions, and the State Secretaries Section will have their business meetings on the first day, and the business meetings of the Association itself will be held on the mornings of the second and third days. The remainder of the time will be devoted to clinic sessions on wartime bank operations, policies and service to the public and the Government.

In announcing the action of the Association's Executive Council, Henry W. Koeneke, ABA President, said:

> These arrangements recognize the heavy burden resting upon bankers as a result of the war and the importance of not taking them away from their desks for a period longer than is necessary. At the same time they recognize the necessity for counsel and conference on the nation's needs and the ways in which the banking system can serve those needs.

Dept. Store Inventory Up Sharply In Feb.

The Board of Governors of the Federal Reserve System announced on March 28 that stocks of goods at department stores increased sharply in February, following some decline in the previous three months. The Board says:

> During that period sales had been large, reflecting an unusually active Christmas season and, in January, a considerable amount of anticipatory buying. The Board's seasonally adjusted index of stocks, based on value figures, rose to 103% of the 1923-25 average—a level 41% higher than a year ago. Outstanding orders also increased considerably in February and at the end of the month were more than twice as large as a year earlier. Increases in stocks, outstanding orders, and sales over the past year reflect to a considerable extent price advances amounting on the average to about 20%.
>
> Large increases in sales and stocks occurred throughout the country, as is indicated in the following table. In the comparisons shown, sales in the first two months of the year have been used as more representative than those for February alone, owing to the sharp fluctuations that occurred between January and February this year.

DEPARTMENT STORE STOCKS AND SALES IN 1942

[Percentage increase from a year ago]

Fed. Reserve Dist.—	Stocks Feb. 28	Sales—1st 2 months
Boston	39	30
New York	48	28
Philadelphia	38	37
Cleveland	48	35
Richmond	40	40
Atlanta	34	20
Chicago	35	30
St. Louis	42	31
Minneapolis	24	26
Kansas City	29	26
Dallas	37	19
San Francisco	35	30
United States	41	30

Savs. & Loan Activity Increased In N.Y. Dist.

Federal savings and loan associations in the Second (New York) Federal Home Loan Bank District had assets of $213,568,046 as of Dec. 31, 1941, an increase of 14.1% over assets at the end of 1940, according to a report released April 12 by Nugent Fallon, President of the Federal Home Loan Bank of New York.

There were 71 savings and loan associations in the Second District operating under Federal charter. Sixty-four of these with resources of $204,468,706 are located in New York and seven whose resources are $9,099,340 are in New Jersey. The bank's announcement further said:

> The report demonstrates that during the year 1941, Federal savings and loan associations continued to play a vital part in servicing the thrift and home financing needs of their communities, as evidenced by the fact that these institutions made mortgage loans totaling $41,022,713 to 8,707 borrowers. This activity represents an increase of 21.8% over the preceding period. Most of these loans were made on homes and small business properties and are written on the direct reduction plan. First mortgage loans amounting to $176,177,725 were outstanding in Federal savings and loan associations in the Second District as of Dec. 31, 1941. On the same date, a year previous, these associations had first mortgage loans outstanding of $151,609,057.
>
> Savings accounts of 226,909 individual investors aggregated $163,791,959 in these Federal savings and loan associations at the end of the year as compared with 204,744 savings accounts amounting to $142,140,728 as of the end of the preceding year.
>
> Net earnings of these 71 Federal savings and loan associations totaled $3,115,170 at the end of the year, $1,873,468 of which was distributed in dividends, the remainder being used to strengthen reserves. These institutions are members of the Federal Home Loan Bank System and provide insurance of accounts for each investor up to $5,000 through the Federal Savings and Loan Insurance Corporation, Washington, D. C.
>
> During the year 1941, Federal charters were issued to three savings and loan associations in the Second Federal Home Loan Bank District and subsequently two of these merged with other Federal associations; thus one new Federal savings and loan association was added during the year.

February Home Mortgage Recordings Below Yr. Ago

Urban home mortgage recordings in February were 8% below the volume for January and slightly under that for February a year ago, economists of the Federal Home Loan Bank Administration reported on April 11. The 101,157 non-farm home mortgages recorded in February, it is stated, amounting to $296,041,000, represented a decrease from January of 6,962 in number and $25,000,000 in volume and—of more significance—a decrease from figures for February a year ago.

The recordings, it is said, mark at least a temporary reversal of a general upward trend which has existed since the Bank Administration began its tabulations in 1939. The Bank Administration report added:

> Heretofore, the total dollar volume of home mortgage recordings in each month has been greater than in the corresponding month of the preceding year—a typical occurrence since the beginning of the Administration's study in 1939. Now for the first time, however, it is noted that the amount of recordings for February, 1942, is slightly below the total for February, 1941, when 107,144 non-farm mortgages valued at $296,863,000 were recorded.

The fact that the dollar volume of mortgages this February was practically the same as last February, although the number of mortgages was 5,987 less, reflects the increased cost of residential construction, Bank Administration economists pointed out.

Mortgages of $20,000 or less reported by all types of lenders during February were as follows:

	Number	Amount	%
Savings and loan associations	31,762	$86,752,000	29
Insur. companies	5,712	28,546,000	10
Banks and trust companies	21,198	70.221,000	24
Mutual sav. banks	2,670	10,405.000	3
Individuals	26,069	53.383.000	18
Other mortgagees	13,746	46,734,000	16
Total	101,157	$296,041,000	100

Voluntary Registration Of Women Considered

President Roosevelt disclosed on Apr. 10 that the Government is seriously considering the voluntary registration of women between the ages of 18 and 65 as part of the nation's total mobilization of manpower. The President told his press conference that if a voluntary registration of women is decided upon it will take place after April 27—the date for registration of men between the ages of 45 and 64—because the mechanical problems are tremendous. The Census Bureau estimates that on Apr. 1 there were 42.058,000 women in the age brackets.

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Tomorrow's Markets Walter Whyte Says—

(Continued from page 1613)

future. Rallies at this point may be based on nothing more substantial than a temporary short position, or the building of bases which at best are seldom tested by volume selling.

* * *

If this is the case today (and so far I see nothing to change it) the market will rally from last week's lows, but this rally should be used to dispose of long positions rather than to add to them.

More next Thursday.

—Walter Whyte.

[*The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.*]

Works With Ordnance Co.

CHICAGO, ILL. — Nelson C. Works, manager of the municipal department of the Chicago office of Paine, Webber & Co., 209 South La Salle Street, has been granted a leave of absence to become associated with the Q. O. Ordnance Corporation of Grand Island, Neb.

At New Address

National Securities & Research Corporation announce that after April 24, 1942, their office will be located in the Equitable Building, 120 Broadway, New York City. The new telephone number will be BArclay 7-1690; the teletype number, NY 1-1022, remains unchanged.

Sets Up Appeal Board For Truck Rationing

Joseph B. Eastman, Director of the Office of Defense Transportation, announced on April 8 establishment of a special Appeal Board in Washington, D. C., to consider appeals from decisions of the ODT's Local Allocation Offices under the commercial-vehicles rationing program. The special Board has been set up pending creation of Local Appeals Boards in the field.

Members of the Board are M. V. Fredehagen, Liaison Officer, board for Civilian Protection, Office of Civilian Defense, Washington, D. C.; W. Foster Banks, President, Motor Haulage Co., Brooklyn, N. Y., and J. B. Pymer, Secretary-Treasurer, the City Baking Co., Baltimore, Md. It is pointed out that rationing of all types of new trucks, truck tractors and trailers, under the terms of General Conservation Order M-100, has been in effect since March 9. The program is administered jointly by the ODT and the War Production Board.

To Improve Brazil Roads

A five-year plan for improving the road system in the State of Sao Paulo, Brazil, at a total cost of approximately $16,760,000 has just been approved by President Vargas, according to the U. S. Department of Commerce at Washington in advices made available April 7, which added:

> The plan will be financed by a loan authorized by the President, Getulio Vargas, which will be guaranteed by Sao Paulo's share of the national single-tax on liquid mineral lubricants.
>
> It is expected in Sao Paulo that the improved road system will furnish valuable stimulus to intra-state, inter-state and even foreign trade by greatly improving transportation possibilities to and from the rather distant but very prosperous regions of the State.

Hayes New Envoy To Spain

President Roosevelt sent to the Senate on April 3 the nomination of Carlton J. H. Hayes of New York to be Ambassador to Spain. Mr. Hayes, Seth Low Professor of History at Columbia University, was named to succeed Alexander Weddell, whose application for retirement because of ill health was accepted by the President on April 2. Mr. Weddell returned to the United States late in February on a leave of absence and conferred with Mr. Roosevelt on March 9 as indicated in our issue of March 19, page 1158.

FDR Calls For Defending Right Of Free Assembly

President Roosevelt, in a message to the annual conference of the National Catholic Educational Association, said on April 7 that nowhere in the countries "held in slavery by the enemies we are fighting" could such a "free assembly be held."

"That simple statement," the President said, "makes clear as the noonday sun the issue at stake in the tragic conflict which the world now witnesses. * * * We must defend this birthright against every totalitarian and pagan assault and to that end we have pledged every resource of man power, money and material and will fight shoulder to shoulder with lovers of freedom wherever freedom is assailed."

Leo Wilson Opens

(Special to The Financial Chronicle)

FORT COLLINS, COLO.—Leo Wilson is engaging in a securities business with offices at 127 South Howes Street. He was formerly associated with S. D. Hall.

Make Reservations Early, Avoid Travel Congestion

The Office of Defense Transportation on April 7 requested all Federal Government agencies to aid in preventing passenger traffic congestion on railroads and bus lines by instructing employees to exercise greater care in buying tickets and reserving space accommodations when traveling on official business. The ODT said:

> Government employees should buy tickets and Pullman space well in advance of train departure, should reserve space accommodations only for trips which are reasonably definite, and should notify carriers immediately if cancellation of reservations becomes necessary, the ODT said.

In making public the request, Joseph B. Eastman, Director of Defense Transportation, urged private firms to issue similar instructions to their employees. "By exercising reasonable care in buying tickets and reserving space accommodations," Mr. Eastman said, "business concerns can do much to aid transportation companies in accommodating passengers and in handling the growing volume of passenger traffic."

Feb. Food Stamp Buying Up

Blue food stamps added more than $9,600,000 worth of farm products during February to the diets of more than 3,600,000 persons eligible to receive public assistance, the Department of Agriculture said on April 6 in its monthly report on the Food Stamp program.

As to these purchases, the Department said:

> During February, families taking part in the Food Stamp program used blue stamps, which increased their expenditures for agricultural commodities approximately 50%, as follows: about 12% for butter, 23% for pork, 23% for vegetables, 16% for cereals, 14% for eggs, and 12% for fruits.
>
> Purchases with blue stamps, as estimated by the Agricultural Marketing Administration, included about 28,250,000 pounds of Irish potatoes, 28,000,000 pounds of flour, 8,000,000 pounds of fresh apples, 9,000,000 pounds of pork, 3,900,000 dozen eggs, and 2,900,000 pounds of butter.
>
> Other blue stamp purchases during the month included about 2,442,000 dozen fresh oranges, 600,000 pounds of fresh pears, 1,500,000 pounds of dried prunes and 5,500,000 grapefruit.

In addition to purchases of commodities with blue stamps, AMA continued in February to distribute farm products for use in free school lunches and to needy families in areas not served by the Food Stamp program.

See Record Food Supply

Barring unpredictable developments, the total food supply this year will be the largest on record, the United States Department of Agriculture said on April 6. Farmers indicate they will plant record acreages of many crops. Production of milk and eggs is rising high in seasonal volume. Marketing of livestock also is expected to increase in coming months, said the Department, which likewise stated:

> Summary of the situation by the Bureau of Agricultural Economics shows that both the production and consumption of food will set new high records this year, provided all production and marketing goals to meet war needs are reached. Consumer and Government demand for farm products continues to rise, yielding farmers higher prices and income. Costs of agricultural production also are rising—notably farm wages but net returns to farmers have been larger to date this year than last.

UP-TOWN AFTER 3

MOVIES

"The Spoilers" (Universal), starring Marlene Dietrich, Randolph Scott, and John Wayne, with Margaret Lindsay, Harry Carey, Richard Barthelmess, William Farnum, and others. Directed by Ray Enright. . . . The Rex Beach classic has been turned into a movie, designed to display the charms of Marlene Dietrich, who in this case is a hard-boiled saloon keeper, with a heart of gold. The scene, as you might have guessed, is in the Alaska of the gold rush when claim jumping was considered respectable; even a Federal Judge and a Gold Commissioner weren't above grabbing somebody else's mine. The pay-off comes, however, when these two gentlemen step into the affairs of the rich Midas Mine, owned by two tough hombres who, after some phenagling around (one of the owners is that way about the Judge's daughter) get down to cases. The same owner used to be head over heels about Miss Dietrich which yau can easily see complicates matters. Justice and true love, however, triumph in the end. The two scoundrels are run out of town; Miss Dietrich and her true love get together and, I suppose, live happily forever after. . . . **"The Juke Girl" (Warner), starring Ann Sheridan and Ronald Reagan, with Richard Whorf, George Tobias, Gene Lockhart, Alan Hale, and others. Directed by Curtis Bernhardt.** . . . Here's a picture that has all the makings of a grand film if it weren't encumbered by too much plot. When it denounces the entrepreneurs who victimize farmers it touches on a subject about which too little has been said, and says it well. But when it complicates things by running in a murder plot and a lynching it becomes just another movie. A couple of bindle stiffs, following crops from place to place arrive in Cat Tail, Florida, run by Henry Madden, head of the Madden Packing Company, who buys local crops at heart breaking prices. A fight begins when one of the farmers objects to the price set for his crop. One of the two buddies goes to the farmer's assistance, the other anxious for a job, sides with Madden. Miss Sheridan, a taxi dancer at a local juke joint, joins the boy on the side of the farmer. Later the farmer is killed and blame falls on the boy and the juke dancer who helped him, both of whom narrowly escape lynching. The acting by George Tobias, who is the farmer, is first rate. As far as Miss Sheridan is concerned almost anybody else could have played the part and done as well. The rest of the cast does fairly well in a story that starts off well but ends with the promise unfulfilled. . . .

AROUND-THE-TOWN

Larue's (45 E. 58th), a pleasant place for leisurely dining, is apparently quite popular with the more sedate set. Two orchestras play continuously but not blatantly. Cuisine is French and good, though on the expensive side. . . . **Armando's (54 E. 55th)**, a long narrow room not unlike the inside of a club car and equally as intimate. Decorated in peppermint candy colors, red and white stripes. I'm told it's a favorite deb haunt for luncheon; be that as it may I visited it at night. Its current attraction is the Chicago socialite, **Maggi McNellis,** a gorgeous brunette, who sings. Brother, until you've heard her give out with "Twiddling My Thumbs," you ain't heard nothing! But if her warbling is catchy then her accompanists, George Morris and his orchestra, are equally good. They join in with choral arrangements that are pleasant to listen to. Later in the evening Maggi (that's the way she spells it) came over to my table. I don't know what kind of a perfume she uses but whatever it is it does things to a guy. If only Maggi was shorter or your reporter was taller—m-m-m—would Dan Walker get a run for his money! . . . **Cafe Society Uptown (128 E. 58th)** has added **Zero Mostel** to its "Back to Boogie-Woogie" show. This Mostel chap has a face that in repose is just a face; nothing extraordinary about it. But when he goes into caricatures this face takes on a rubber quality that is side-splitting to watch. His "Jitterbug at the Roseland Dance Hall" is one of the funniest things I have seen in a long time. . . . **Cerutti's (643 Madison)** still sounds like bedlam let loose. Entertainment very informal with waiters doubling as singers just as likely to serenade you as serve you. No dancing, but fun just the same. . . . Here's the **MacArthur Cocktail** for which **Oscar**, head bartender at the **Cafe Pierre** got $100: ½ oz. lime juice; ½ oz. triple sec or cointreau; 1½ oz. any light rum; ¼ oz. Jamaica rum; ½ teaspoonful white of egg. Shake—and there you have it. The Bartenders Association gave Oscar $100 for it. I give it to you for nothing. We-e-e-e-e!!! . . . In that 53d St. caravanserai (saloon to you) that well-known boniface, Showman, after sleepless nights of thinking up ways to help the war effort has come up with—the glamour gal of 1942—the 16-year-old Oona O'Neill, daughter of playwright Eugene O'Neill. Can't help wondering what her father thinks of the whole thing. . . . Shed a tear for the **Penthouse Club's Paul Taubman.** Was all set to play piano for Waterman's Fountain Pen on a radio hook-up 10 minutes before the ball game went on when the whole thing was canceled. Seems with priorities on rubber Waterman's dropped the whole thing.

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Calendar of New Security Flotations

OFFERINGS

INTERNATIONAL HARVESTER CO.

International Harvester Co. filed registration statement with SEC for 225,000 shares common stock, no par

Address—180 N. Michigan Ave., Chicago, Illinois

Business—Company normally manufactures and sells four different types of products, (a) wheel and crawler type tractors and power units, (b) a wide variety of agricultural implements, (c) light and heavy duty motor trucks, and (d) miscellaneous products, principally steel and binder twine. The three principal phases of company's war effort are production of commercial types of trucks, tractors and other equipment for the Government; production of military adaptations of commercial types of these items; and production of totally new products for military purposes

Underwriting—Clark, Dodge & Co., New York, and Lee Higginson Corp., Chicago, are the principal underwriters; names of other underwriters will be supplied by amendment

Offering—The shares registered are already outstanding and are to be offered to the public for the account of following stockholders: Administrators of the Estate of Mary Virginia McCormick, deceased, 150,100 shares; Executors of the Estate of Harold F. McCormick, 74,900 shares. Public offering price by amendment

Proceeds will be received by the selling stockholders

Registration Statement No. 2-4982. Form A-2. (4-2-42)

Registration effective 4:45 p.m. E.W.T., on April 16, 1942

Amendment filed on April 13, 1942, naming the underwriters for the public offering of 225,000 shares of no par common stock, as follows:

	No. Shs. Underwritten
Clark, Dodge & Co., New York	22,500
Lee Higginson Corp., Chicago	22,500
A. C. Allyn & Co., Inc., Chicago	3,000
Bacon, Whipple & Co., Chicago	3,000
A. G. Becker & Co., Inc., Chicago	2,500
Biddle, Whelen & Co., Philadelphia	2,000
Blair, Bonner & Co., Chicago	5,000
Blyth & Co., Inc., New York	8,000
Alex. Brown & Sons, Baltimore	2,000
Central Republic Co., Inc., Chicago	2,500
E. W. Clark & Co., Philadelphia	2,000
Curtiss, House & Co., Cleveland	2,000
Paul H. Davis & Co., Chicago	2,000
Dillon, Read & Co., New York	12,000
Dominick & Dominick, New York	4,000
Drexel & Co., Philadelphia	3,000
Eastman, Dillon & Co., New York	2,500
Estabrook & Co., Boston	2,000
Farwell, Chapman & Co., Chicago	2,000
First of Michigan Corp., Detroit	2,000
Glore, Forgan & Co., Chicago	8,000
Goldman, Sachs & Co., New York	4,000
Graham, Parsons & Co., Phila.	2,000
Harriman Ripley & Co., Inc., N. Y.	8,000
Harris, Hall & Co., Inc., Chicago	3,000
Hayden, Miller & Co., Cleveland	2,000
Hayden, Stone & Co., New York	2,000
Hemphill, Noyes & Co., New York	2,500
Hornblower & Weeks, New York	2,500
W. E. Hutton & Co., New York	3,000
Illinois Co. of Chicago	2,000
Jackson & Curtis, Boston	2,500
Kebbon, McCormick & Co., Chicago	2,000
Kidder, Peabody & Co., New York	4,000
Lazard Freres & Co., New York	3,000
Laurence M. Marks & Co., N. Y.	2,000
Merrill Lynch, Pierce, Fenner & Beane, New York	4,000
Morgan Stanley & Co., New York	12,000
F. S. Moseley & Co., Boston	5,000
Newhard, Cook & Co., St. Louis	2,000
Paine, Webber & Co., New York	2,500
Shields & Co., New York	3,000
Smith, Barney & Co., New York	10,000
Stone & Webster and Blodget, Inc., New York	3,000
Spencer Trask & Co., New York	4,000
Tucker, Anthony & Co., New York	2,500
Union Securities Corp., New York	3,000
White, Weld & Co., New York	3,000
Whiting, Weeks & Stubbs, Inc., Boston	2,000
The Wisconsin Co., Milwaukee	3,000
Dean Witter & Co., San Francisco	4,000
Wood, Struthers & Co., New York	3,000

Offered April 17 at $42.375 per share

VINCO CORPORATION

Vinco Corporation has filed a registration statement with the SEC for 104,000 shares common stock, $1 par

Address—Detroit, Mich.

Business—Engaged in manufacture and sale of hardened and ground tools and gauges, including lapped high precision gauges and tools, involute spline gauges, master gears, gear tooth gauges and index plates, which now comprise the major portion of the company's business

Offering—The shares registered will be initially offered by the company to holders of its common stock for subscription, pro rata, in ratio of 2 shares for each 3 shares held; such of the shares are not issued upon exercise of the subscription rights, will be sold to the public. The stock of record date, and expiration date of the subscription offer, will be supplied by amendment.

Stock will be offered to stockholders at $5.50 per share and unsubscribed shares through underwriters at same price.

Underwriting—A. M. Kidder & Co., New York, is the sole underwriter

Purpose—Net proceeds will be initially added to working capital, to be used principally to meet the increased demand for working funds which has resulted from expansion of company's business and the further expansion of company's business expected to occur upon completion of the plant, construction of which is now contemplated by company as agent for Defense Plant Corp.

Registration Statement No. 2-4972. Form A2 (3-26-42)

Registration effective 3:45 p.m., E.W.T., on April 14, 1942.

Offered—Unsubscribed shares offered April 22, 1942, by A. M. Kidder & Co. at $5.50 per share.

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern Standard Time as per rule 930(b).

Offerings will rarely be made before the day following.

SUNDAY, APRIL 26

MAPLE-KISSENA REALTY CORP.

Voting trustees of company filed a registration statement with the SEC for Voting Trust Certificates covering 7,315 shares of capital stock, $1 par

Addresses—Voting trustees: c/o Axel J. Swensen, 149 Cherry Ave., Flushing, New York. Corporation: 70 Pine St., New York, N. Y.

Business — Corporation operates the Yorkshire Gardens Apartment Building, in New York City

Offering—The voting trustees propose to issue voting trust certificates representing such capital stock to evidence extension of the voting trust agreement from June 10, 1942, present expiration date, to June 19, 1947

Registration Statement No. 2-4984. Form F-1 (4-7-42)

WEDNESDAY, APRIL 29

THE AMERICAN TOBACCO CO.

The American Tobacco Co. filed a registration statement with the SEC for $100,000,000 of 20-year 3% debentures, due April 15, 1962.

Address—111 Fifth Ave., New York, N. Y.

Business—Company and its subsidiaries are engaged in business of manufacturing and selling cigarettes, smoking and chewing tobaccos, and cigars. Principal product of company is "Lucky Strike" cigarettes

Underwriters, and principal amount underwritten by each, are as follows:

Morgan Stanley & Co., N. Y.	$5,000,000
A. C. Allyn & Co., Chicago	500,000
Almstedt Brothers, Louisville, Ky.	100,000
Auchincloss, Parker & Redpath, Washington	150,000
Bacon, Whipple & Co., Chicago	200,000
Baker, Watts & Co., Baltimore	200,000
Baker, Weeks & Harden, N. Y.	200,000
Bear, Stearns & Co., New York	150,000
A. G. Becker & Co., Inc., Chicago	600,000
Biddle, Whelen & Co., Phila.	100,000
Blair & Co., New York	600,000
Blair, Bonner & Co., Chicago	200,000
Blyth & Co., New York	4,100,000
Bodell & Co., Providence	250,000
Boettcher & Co., Denver	100,000
Bosworth, Chanute, Loughridge & Co., Denver	100,000
Alex. Brown & Sons, Baltimore	400,000
Burns, Potter & Co., Omaha	100,000
Butcher & Sherrerd, Philadelphia	100,000
H. M. Byllesby & Co., New York	150,000
Central Republic Co., Chicago	500,000
E. W. Clark & Co., Philadelphia	400,000
Clark, Dodge & Co., New York	1,500,000
Coffin & Burr, Boston	500,000
Courts & Co., Atlanta	100,000
Curtiss, House & Co., Cleveland	100,000
J. M. Dain & Co., Minneapolis	100,000
Paul H. Davis & Co., Chicago	150,000
R. L. Day & Co., Boston	200,000
Dick & Merle-Smith, New York	500,000
R. S. Dickson & Co., Inc., Charlotte, N. C.	200,000
Dixon & Co., Philadelphia	100,000
Dominick & Dominick, N. Y.	1,500,000
Drexel & Co., Philadelphia	2,000,000
Francis I. du Pont and Chisholm & Chapman, New York	150,000
Eastman, Dillon & Co., New York	1,500,000
Elkins, Morris & Co., Phila.	400,000
Equitable Securities Corp., Nashville	400,000
Estabrook & Co., Boston	1,250,000
Clement A. Evans & Co., Atlanta	100,000
Evans, Stillman & Co., New York	150,000
Fahey, Clark & Co., Cleveland	100,000
Farwell, Chapman & Co. Chicago	150,000
Ferris & Hardgrove, Seattle	100,000
Field, Richards & Co., Cincinnati	100,000
First Boston Corp., New York	4,100,000
First of Michigan Corp., Detroit	300,000
First Trust Co., Lincoln, Neb.	100,000
Folger, Nolan & Co., Washington	150,000
Robert Garrett & Sons, Balt.	100,000
Glore, Forgan & Co., Chicago	1,000,000
Goldman, Sachs & Co., N. Y.	4,100,000
Graham, Parsons & Co., Phila.	400,000
Green, Ellis & Anderson, N. Y.	200,000
Hallgarten & Co., New York	750,000
Harriman Ripley & Co., N. Y.	4,100,000
Harris, Hall & Co., Chicago	750,000
Hawley, Shepard & Co., Cleve.	150,000
Hayden, Miller & Co., Cleveland	400,000
Hayden, Stone & Co., N. Y.	750,000
Hemphill, Noyes & Co., N. Y.	1,500,000
Hill & Co., Cincinnati	100,000
J. J. B. Hilliard & Son, Louisville	150,000
Hornblower & Weeks, New York	1,500,000
W. E. Hutton & Co., New York	1,500,000
Illinois Co., Chicago	200,000
Indianapolis Bond & Share Corp., Indianapolis	100,000
Jackson & Curtis, Boston	600,000
Janney & Co., Philadelphia	100,000
Johnson, Lane, Space & Co., Savannah	100,000
Kalman & Co., Inc., St. Paul	150,000
Kean, Taylor & Co., New York	300,000
Kebbon, McCormick & Co., Chic.	200,000
Kidder, Peabody & Co., N. Y.	4,100,000
Kirkpatrick-Pettis Co., Omaha	100,000
Laird, Bissell & Meeds, Wilmington	150,000
W. W. Lanahan & Co., Balt.	150,000
W. C. Langley & Co., New York	500,000
Lazard Freres & Co., New York	2,650,000
Lee Higginson Corp., New York	2,650,000
Lehman Brothers, New York	4,100,000
Carl M. Loeb, Rhoades & Co., New York	150,000
W. L. Lyons & Co., Louisville	100,000
Mackubin, Legg & Co., Baltimore	150,000
Laurence M. Marks & Co., N. Y.	500,000
Mason-Hagan, Inc., Richmond	200,000
A. E. Masten & Co., Pittsburgh	150,000
McDonald-Coolidge & Co., Cleve.	150,000
Mellon Securities Corp., Pitts.	4,100,000
Merrill Lynch, Pierce, Fenner & Beane, New York	1,500,000
Merrill, Turben & Co., Cleveland	150,000
Milwaukee Co., Milwaukee	200,000
Mitchum, Tully & Co., San Fran.	200,000
Moore, Leonard & Lynch, Pitts.	300,000
F. S. Moseley & Co., Boston	2,650,000
Maynard H. Murch & Co., Cleve.	100,000
W. H. Newbold's Son & Co., Philadelphia	250,000
Newhard, Cook & Co., St. Louis	150,000
Newton, Abbe & Co., Boston	150,000
Ohio Co., Columbus	200,000
Paine, Webber & Co., Boston	600,000
Parrish & Co., Philadelphia	150,000
Arthur Perry & Co., Boston	300,000
Piper, Jaffray & Hopwood, Minneapolis	100,000
R. W. Pressprich & Co., N. Y.	600,000
Putnam & Co., Hartford	200,000
Reinholdt & Gardner, St. Louis	150,000
Reynolds & Co., New York	250,000
Riter & Co., New York	400,000
Robinson-Humphrey Co., Atlanta	150,000
E. H. Rollins & Sons, New York	1,250,000
L. F. Rothschild & Co., N. Y.	500,000
Salomon Brothers & Hutzler, New York	750,000
Schoellkopf, Hutton & Pomeroy, Inc., Buffalo	400,000
Schwabacher & Co., San Fran.	200,000
Scott & Stringfellow, Richmond	250,000
Chas. W. Scranton & Co., New Haven	200,000
Shields & Co., New York	750,000
I. M. Simon & Co., St. Louis	100,000
Singer, Deane & Scribner, Pitts.	300,000
Smith, Barney & Co., N. Y.	4,100,000
Smith, Moore & Co., St. Louis	150,000
William R. Staats Co., Los Ang.	250,000
Starkweather & Co., New York	200,000
Stein Brothers & Boyce, Balt.	200,000
Stein Brothers & Co., Kan. City	200,000
Stone & Webster and Blodget, Inc., New York	2,000,000
Stroud & Co., Philadelphia	200,000
Lowry Sweney, Inc., Columbus	100,000
Swiss American Corp., N. Y.	350,000
Townsend, Dabney & Tyson, Bos.	100,000
Spencer Trask & Co., N. Y.	750,000
Tucker, Anthony & Co., N. Y.	750,000
Union Securities Corp., N. Y.	2,650,000
J. D. Van Hooser & Co., Lexington	100,000
G. H. Walker & Co., St. Louis	300,000
Watling, Lerchen & Co., Detroit	100,000
Webster & Gibson, Nashville	100,000
Weeden & Co., San Francisco	150,000
Wells-Dickey Co., Minneapolis	250,000
Wertheim & Co., New York	250,000
White, Weld & Co., New York	2,000,000
Whiting, Weeks & Stubbs, Inc., Boston	350,000
Wisconsin Co., Milwaukee	750,000
Dean Witter & Co., San Fran.	750,000
Yarnall & Co., Philadelphia	150,000

Offering—The debentures will be offered to the public at 100 according to amendment to registration statement

Proceeds from sale of the debentures together with other funds of company to the extent necessary, are to be applied to payment of the outstanding $12,977,000 of 2.45% serial debentures, due serially to 1948, the outstanding $16,000,000 of 2% notes payable to banks, due serially to 1945, and the outstanding short-term notes payable to banks aggregating $75,500,000 as of April 10, 1942, thus positioning company for purchases of its requirements of leaf tobacco

Registration Statement No. 2-4985. Form A-2 (4-10-42)

SATURDAY, MAY 2

EAST TEXAS SALT WATER DISPOSAL CO.

East Texas Salt Water Disposal Co. filed a registration statement with the SEC for 19,750 shares common stock, $100 par value

Address—706 Citizens National Bank Bldg., Tyler, Tex.

Business—Incorporated on Jan. 20, 1942, under laws of State of Texas. Business of company will be the gathering, storing and impounding of water containing salt and other substances produced in the drilling and operation of oil wells in the East Texas oil fields, and the prevention of the flow of such water into streams. Company's outstanding common stock is owned principally by a group of seven large oil companies.

Underwriting and Offering—The common stock will be offered to the public direct by the company, through its officers and employees, at $100 per share. There will be no underwriting.

Proceeds will be used for working capital and corporate purposes.

Registration Statement No. 2-4986. Form A-1 (4-13-42)

Registration effective 12:30 p.m. E.W.T. on April 17, 1942

SUNDAY, MAY 3

WASHINGTON GAS LIGHT CO.

Washington Gas Light Co. filed registration statement with the SEC for 40,000 shares of $5 cumulative preferred stock, no par

Address—411 Tenth St., N. W., Washington, D. C.

Business—Company and its subsidiaries are engaged in manufacturing, purchasing, distributing and selling gas for cooking, heating, refrigeration and other purposes within the metropolitan area of Washington, D. C.

Offering—The 40,000 shares $5 preferred stock will first be offered for subscription to company's common stockholders, through warrants, on basis of 8/85ths of a share of $5 preferred stock for each share of common stock held. The stock of record date, expiration date of the subscription offer, and the subscription price per share of $5 preferred stock, will be supplied by amendment

Underwriting—Unsubscribed portion of the 40,000 shares will be underwritten and offered to the public, at a price to be supplied by amendment. Y. E. Booker & Co., Washington, D. C., is named principal underwriter, other underwriters will be supplied by amendment

Proceeds will be used to repay $3,100,000 bank loans of company, and to finance additions and improvements to plant and property of company and subsidiaries

Registration Statement No. 2-4987. Form A-2. (4-14-42)

SATURDAY, MAY 9

STANDARD AIRCRAFT PRODUCTS, INC.

Standard Aircraft Products, Inc., filed a registration statement with the SEC covering $300,000 5½% convertible serial and sinking fund debentures, due 1943-1947

Address—Dayton, Ohio

Business—Company manufactures and develops aircraft products, etc.

Offering—The 1943 maturity ($48,105) will be offered to the public at 100. The other maturities will be offered in exchange for 33,586 shares ($7.50 par) 40 cents cumulative preferred stock on a par for par basis as follows: debentures maturing 1944, $62,000; debentures maturing 1945, $62,000; debentures maturing 1946, $62,000; and debentures maturing 1947, $65,895

Underwriting—The debentures aggregating $251,895 may be sold through underwriter at 100. R. N. Webster, President, has agreed to sell through underwriter the $190.53 debentures he has agreed to exchange for his 25,405 shares of preferred stock. G. Brashears & Co. is named principal underwriter. R. N. Webster may be an underwriter

Proceeds of $48,105 (1943 maturity) will be used for working capital

Registration Statement No. 2-4988. Form A-1. (Filed in San Francisco 4-20-42)

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

AMERICAN BAKERIES CO.

American Bakeries Co. registered 15,000 shares Class B no par common stock

Address—No. 520 Ten Pryor St. Bldg. Atlanta, Ga.

Business—Manufacturing and distributing bakery products in souther states

Underwriter—None named

Offering—Stock will be offered to public at price to be filed by amendment

Proceeds—All proceeds will be received by L. A. Cushman, Jr., chairman of board of company, for whose account the stock will be sold

Registration Statement No. 2-4714. Form A-2. (3-28-41)

Proposed offering as amended Dec. 10, 1941, 9,000 shares at $54.25 per share

Amendment filed April 17, 1942, to defer effective date

ATLANTIC CITY ELECTRIC CO.

Atlantic City Electric Co. filed a registration statement with the SEC for 62,000 shares of Cumulative Preferred Stock, $100 par; dividend rate will be furnished by amendment

Address—Atlantic City, N. J.

Business—This subsidiary of American Gas & Electric Co. is engaged in the generation, transmission, distribution and sale of electric energy in the southern part of New Jersey, including Atlantic City, and is also engaged in furnishing hot water heating service in a limited area in Atlantic City and steam for heating to two customers at its Atlantic City plant. About 99% of gross revenues are derived from electric service

Underwriting and Offering—As soon as practicable after the registration statement becomes effective, company proposes publicly to invite proposals for purchase of 49,000 shares of the new preferred stock, under competitive bidding rule of Holding Company Act. Provision is made that the remaining 13,000 shares of new preferred stock registered will be offered under an Exchange Offer, as follows: holders of the 26,283 shares of $6 preferred stock held by the public will be entitled to receive one share of new preferred stock for each share of $6 preferred stock exchange, plus an amount in cash per share equal to the excess of the redemption price of $120 per share of the $6 preferred stock, plus accrued dividends to the date of redemption, over the initial public offering price of the new preferred stock. The exchange offer will expire not later than the fifth day after such offer is made. Should holders of the $6 preferred stock held by the public take more than 13,000 shares of new preferred stock under the Exchange Offer, then the number of shares of new preferred stock to be sold under competitive bidding will be reduced by such excess; and if less than 13,000 shares of new preferred are taken under the Exchange Offer, then the successful competitive bidders will have the option to purchase the additional shares represented by such deficiency at the same price per share as they have bid for the other shares

Public offering price, and the names of the underwriters, will be supplied by amendment

Proceeds from sale of the 62,000 shares new preferred stock, plus a capital contribution in cash of $2,500,000 to be made to company by American Gas & Electric Co., the parent company, will be used for following purposes: $3,059,200 to purchase from American Gas & Electric Co. 30,592 shares of $6 preferred stock (at its cost); $3,153,960 to be deposited with the redemption agent, for the redemption of 26,283 shares of $6 preferred stock (to be called for redemption at $120 per share), outstanding in the hands of the public; $2.500.000 to discharge open account indebtedness to American Gas & Electric Co.; and the balance for corporate purposes

Registration Statement No. 2-4941. Form A2 (2-2-42)

Registration Effective 12:30 p.m. E. War Time on Feb. 14, 1942.

Public Invitation for Proposals—No bids were received Feb. 24 for the issue. Groups formed to compete for the shares withdrew in the face of the general market uncertainty.

Company states that due to market conditions, no offering of stock is now contemplated

AXTON FISHER TOBACCO CO.

Axton Fisher Tobacco Co. filed a registration statement with the SEC for aggregate of 149,944 shares 5% cumulative prior preferred stock, $25 par.

Address—Louisville, Ky.

Business—Engaged in the manufacture of cigarettes (Clown, Spud, and Twenty Grand) and various brands of smoking and chewing tobaccos.

Offering—The 149,944 shares new preferred stock will be issued under a plan of recapitalization, as follows: (1) 56,544 shares in exchange for 14,136 shares outstanding 6% preferred stock on basis of 4 shares new preferred stock plus $17.25 cash for one share of old 6% preferred stock; (2) 54,558 shares in exchange for 45,465 shares outstanding Class A common stock on basis 1 1/5 shares new preferred stock plus $16 cash for one share Class A common stock; and (3) 38,852 shares will be sold first to stockholders of company other than Transamerica Corp., parent company, at $25 per share, with the unsubscribed portion to be sold to Transamerica Corp. at same price. The cash payments in (1) and (2) exchange offers represent unpaid cumulative dividends to Dec. 31, 1941; in connection with offering under (3) above, a cash offer is also to be made in an amount necessary to cover cash payments in the above exchange offers.

Registration Statement No. 2-4947. Form A2 (2-13-42—San Francisco)

Amendment filed April 18, 1942, to defer effective date

BEAR MINING AND MILLNG COMPANY

Bear Mining and Milling Co. registered 153,145 shares of common stock, $1 par

Address — 513 Majestic Bldg., Denver, Colo.

Business—Mining and milling

Underwriter—None

Offering—Stock will be offered publicly at $1 per share, selling commission, 35%

Proceeds — For development equipment and operation mining property near Breckenridge, Colo.

Registration Statement No. 2-4571. Form A-1. (11-12-40)

Amendment filed April 18, 1942, to defer effective date

BELLANCA AIRCRAFT CORP.

Bellanca Aircraft Corp. filed a registration statement with the SEC for 57,412 shares common stock, $1 par. Further details as to the financing, including details of distribution, application of proceeds, underwriters, if any, etc., are to be supplied by amendment to registration statement. SEC withheld much of material filed by company, presumably in conformity with military censorship policy

Registration Statement No. 2-4975. Form S-2 (3-30-42)

Amendment filed April 18, 1942, to defer effective date

CALIFORNIA DE-TINNING CORP.

California De-Tinning Corp. filed a registration statement with the SEC for 234,000 shares of $1 par common stock

Address—Los Angeles, Cal.

Business—Company is engaged in the reclaiming and processing of tin

Underwriters—Quincy Cass Associates

Offering—The common stock will be offered to the public at $1 per share

Proceeds will be used to pay for organization expenses, a detinning plant and for working capital

Registration Statement No. 2-4956. Form A1 (3-2-42—San Francisco)

CANADA DRY GINGER ALE, INC.

Canada Dry Ginger Ale, Inc., filed a registration statement with the SEC for: 25,173 shares $5.50 cumulative convertible preferred stock, no par; an indeterminable number shares common stock $5 par (including Scrip Certificates for fractions of shares), to be reserved for issuance on conversion of the preferred; and Subscription Warrants (Full and Fractional) evidencing, in the aggregate, rights to subscribe for such 25,173 shares of preferred stock

Address—100 E. 42nd St., New York, N. Y.

Business—Engaged, directly or through subsidiaries, in the manufacture and distribution of ginger ale and other carbonated beverages in the U. S. and Canada, and in the distribution, and to a small extent the manufacture, of alcoholic beverages in the U. S.

Underwriting and Offering—The pre-

Calendar of New Security Flotations

ferred stock will first be offered to company's common stockholders for subscription, in the ratio of one share of preferred for each 24 shares of common stock held. The stock of record date, date of expiration of the subscription offer, and the subscription price per share, will be supplied by amendment

The unsubscribed portion of such 25,173 shares preferred stock will be underwritten and offered to public, at a price to be supplied by amendment; underwriters are Union Securities Corp., New York, and Hornblower & Weeks, New York

Proceeds will be used to pay outstanding $1,100,000 bank loans, balance for working capital

Registration Statement No. 2-4977. Form A2 (3-31-42)

Registration Statement withdrawn April 20, 1942

CARPENTER PAPER CO.

Carpenter Paper Co. filed a registration statement with the SEC for 5,000 shares of common stock, $1 par value

Address—Ninth & Harney Sts., Omaha, Neb.

Business—Company is engaged in the warehousing for sale at wholesale of paper and paper products of various description, distributed in 17 States west of the Mississippi River.

Underwriting—None

Offering—The 5,000 shares of common stock are being offered only to a group of officers and employees of the company, approved by the Board of Directors, at not more than $21.50 per share

Proceeds will be used for working capital

Registration Statement No. 2-4978. Form A-2. (3-31-42)

CELANESE CORPORATION OF AMERICA

Celanese Corporation of America filed a registration statement with the SEC for $7,522,000 of 3½% Convertible Debentures, due March 1, 1962, and an indeterminable number of shares of no par common stock (including scrip certificates for fractions of shares), latter to be reserved for issue upon conversion of the Debentures

Address—180 Madison Ave., New York

Business—Principal business of company is the manufacture and sale at wholesale of cellulose acetate yarns and fabrics containing such yarns under the registered trademark "Celanese" and under other trademarks owned by the company

Underwriting and Offering—The debentures will first be offered to company's common stockholders, via subscription rights, for subscription at the rate of $1,000 principal amount of the Debentures for each 183 shares of common stock held of record on the effective date of the registration statement. The subscription price per share will be supplied by amendment. The Subscription Warrants will be exercisable on or before 3 p.m. Eastern War Time on April 6, 1942. Such of the Debentures as are not subscribed for under this offer, will be sold to the public through underwriters, at a price to be supplied by amendment.

Names of the underwirters, and the maximum amount of the Debentures to be underwritten by each, are:

Dillon, Read & Co., New York	$1,222,000
Glore, Forgan & Co., New York	700,000
A. C. Allyn & Co., Inc., Chicago	50,000
A. G. Becker & Co., Inc., Chicago	75,000
Blyth & Co., Inc., New York	300,000
Alex Brown & Sons, Baltimore	125,000
Central Republic, Inc., Chicago	75,000
R. S. Dickson & Co., Inc., Charlotte, N. C.	50,000
Equitable Securities Corp., New York	50,000
Estabrook & Co., Boston	75,000
First Boston Corp., New York	450,000
Graham, Parsons & Co., Philadel.	50,000
Harriman Ripley & Co., Inc., New York	300,000
Harris, Hall & Co., Inc., Chicago	75,000
Hayden, Miller & Co., Cleveland	75,000
Hayden, Stone & Co., New York	75,000
Hemphill, Noyes & Co., New York	200,000
Hornblower & Weeks, New York	125,000
W. E. Hutton & Co., New York	75,000
Kebbon, McCormick & Co., Chicago	50,000
Kidder, Peabody & Co., New York	200,000
W. C. Langley & Co., New York	150,000
Lee Higginson Corp., New York	150,000
Lehman Bros., New York	350,000
Laurence M. Marks & Co., New York	75,000
Mellon Securities Corp., Pittsburgh	350,000
Merrill Lynch, Pierce, Fenner & Beane, New York	250,000
F. S. Moseley & Co., Boston	75,000
Otis & Co., Cleveland	75,000
Riter & Co., New York	150,000
E. H. Rollins & Sons, Inc., N. Y.	125,000
Salomon Bros. & Hutzler, N. Y.	125,000
Shields & Co., New York	300,000
Smith, Barney & Co., New York	300,000
Tucker, Anthony & Co., Boston	75,000
Union Securities Corp., New York	200,000
White, Weld & Co., New York	150,000
Whiting, Weeks & Stubbs, Inc., Boston	50,000
The Wisconsin Co., Milwaukee	125,000
Dean Witter & Co., San Francisco	50,000

Proceeds—Purpose or purposes to which the proceeds will be applied, are to be supplied by amendment

Registration Statement No. 2-4962. Form A-2 (2-11-42)

Offering Deferred—Company announced March 25 that it had postponed for the time being offering to holders of common stock of proposed bond issue, due to problem arising in connection with British stockholders

COLUMBIA GAS & ELECTRIC CORP.

Columbia Gas & Electric Corp. **registered $28,000,000 serial debentures, due 1942 to 1951, and $92,000,000 sinking fund debentures due 1961**

Address—61 Broadway, N. Y. C.

Business—Public utility holding company

Offering—Both issues will be publicly offered at prices to filed by amendment

Proceeds—To redeem **$50,000,000 Deb 5s, 1952; $4,750,700** Deb. **5s**, due **April 15, 1952; $50,000,000** Deb. **5s, 1961**; to **purchase $3,750,000 4% guaranteed serial notes due 1942-46 of Ohio Fuel Gas Co., a subsidiary, and $3,750,000 guaranteed serial notes of United Fuel Gas Co., a subsidiary, from the holders thereof: and to make a $3,402,090 capital contribution to Cinn., Newport & Covington Ry Co. to enable that Company to redeem its outstanding $3,303,000 1st & Ref. 6s, 1947**

Registration Statement No. 2-4736. Form A-2 (4-10-41)

Amendment filed April 16, 1942, to defer effective date

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. **registered with SEC $45,000,000** First **Mortgage** bonds, due Oct. 1, 1971; **$10,000,000** Sinking Fund Debentures, due Oct. 1, 1956; and 140,000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred **stock, will be** supplied by amendment

Address—25 S. E. Second Ave., Miami, Fla.

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas), serving most of the territory along **the east coast of Florida (with exception of the Jacksonville area), and other portions** of Florida

Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement

Proceeds will be applied as follows: $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment

Registration Statement No. 2-4845. Form A2 (9-17-41)

Amendment filed April 17, 1942, to defer effective date

GILLHAM MINING CO., INC.

Gillham Mining Co., Inc., filed a registration statement with the SEC for 5,000 shares common stock, no par value

Address—30 No. La Salle St., Chicago, Ill.

Business—Engaged in the mining of antimony ore in Mineral Township, Sevier County, Arkansas

Underwriting and Offering—The 5,000 shares of common stock will be sold to the public at $5 per share; no underwriting involved.

Proceeds will be used for corporate purposes, including further developing and exploring of properties now owned by the company

Registration Statement No. 2-4964. Form S-3 (2-12-42)

HAMILTON WATCH CO.

Hamilton Watch Co. **filed registration** statement with SEC for 39,382 shares **4½%** cumulative preferred stock, **$100 par**

Address—Lancaster, Pa.

Business — Company manufactures **and** sells various models of high grade (17 to 23 jewel) pocket and wrist watches **for** men and wrist watches for women

Underwriting and Offering—Company **is** making a conditional offer to holders of **its** 32,054 shares of outsanding 6% preferred stock of the privilege of exchanging such stock for 33,054 of the 39,382 shares of 4½% preferred stock on basis of one share of 4½% preferred stock, plus $1.50 (equal to current quarterly dividend payable March 1, 1942, on one share outstanding 6% preferred stock), plus an unstated amount (difference between the public offering price of one share 4½% preferred stock and $105, the redemption price of the 6% preferred), for each share of outstanding 6% preferred stock. Exchange offer expires Jan. 22, 1942. Any shares of 4½% preferred not issued under the exchange offer, plus the 6,328 shares not reserved for such exchange offer, will be offered to the public, at a price to be supplied by amendment. Harriman Ripley & Co., Inc., Philadelphia, is named principal underwriter; other underwriters will be supplied by amendment.

Proceeds will be used to redeem, on March 1, 1942, at $105 per share, all outstanding 6% preferred stock; balance for expenditures in connection with construction and equipment of plant additions

Registration Statement No. 2-4926. Form S2 (12-30-41)

Offering of stock has been postponed for time being, it was announced April 10, 1942

HASTINGS MANUFACTURING CO.

Hastings Manufacturing Co. registered with **SEC 140,400 shares common stock,** $2 par value

Address—Hastings, Mich.

Business—Manufactures and sells piston rings and expanders

Underwriters—Schroder, Rockefeller & Co., Inc., are principal underwriters. Other underwriters are Smith, Hague & Co. and Carlton M. Higbie Corp., Detroit, Mich.

Offering—23,100 shares are unissued and are to be offered to the public for the account of the company; remaining 117,300 shares are outstanding and are to be sold to public for account of certain selling stockholders

Proposed offering as amended: 23,100 shares by company, 105,756 shares by certain stockholders

Public offering price is $9.50 per share

Proceeds to company will be used for general corporate purposes, including purchase of new equipment and for working capital

Registration Statement No. 2-4890. Form A2. (11-19-41 Cleveland)

Amendment filed April 15, 1942, to defer effective date

HONOLULU RAPID TRANSIT CO., LTD.

Honolulu Rapid Transit Co., Ltd., has filed a registration statement with the SEC for 75,000 shares of 6% cumulative convertible preferred stock, $10 par; and 75,000 shares common stock, $10 par, latter reserved for issuance on conversion of the preferred stock

Address—1140 Alspai St., Honolulu, Hawaii

Business—Company is a public utility engaged in providing urban transportation service to the city of Honolulu, rendered by trolley coaches and gasoline buses

Underwriting—None

Offering—The preferred stock is offered to company's common stockholders of record April 30, 1942, for subscription at $10 per share, on the basis of three shares of preferred stock for each five shares of common stock, to be evidenced by transferable warrants which expire May 29, 1942. Such of the preferred stock not subscribed to on or before May 29, 1942, or not sold on or before June 30, 1942, will be retained by the company, subject to issue and sale, either at private or public sale, at not less than $10 per share

Proceeds will be applied to reduction of outstanding bank loans, aggregating $1,650,000

Registration Statement No. 2-4973. Form S-2 (3-30-42)

HYGRADE SYLVANIA CORP.

Hygrade Sylvania Corp. filed registration statement with SEC for 50,000 shares 4½% cumulative convertible preferred stock, $40 par; and 105,000 shares common stock, no par, the latter reserved for conversion of the preferred stock

Address—60 Boston St., Salem, Mass.

Business—Engaged in manufacture and sale of electric incandescent lamp bulbs, radio receiving tubes, fluorescent lamps and fixtures, and other electronic products and certain chemical products directly or indirectly related to the foregoing. Regular and special products, to a large and increasing extent, are being supplied to the military services and for other war uses

Underwriters of the preferred stock, and the number of shares which each has agreed to underwrite, are as follows:

Jackson & Curtis, Boston	14,000
Lee Higginson Corp., Boston	10,000
Estabrook & Co., Boston	7,500
Merrill Lynch, Pierce, Fenner & Beane, New York	7,400
Putnam & Co., Hartford, Conn.	2,000
Hale, Waters & Co., Inc., Boston	1,600
Graham, Parsons & Co., New York	1,500
Whiting, Weeks & Stubbs, Inc., Boston	1,500
Yarnall & Co., Philadelphia	1,000
Minsch, Monell & Co., Inc., New York	1,000
Brush, Slocumb & Co., San Fran.	500
Herbert W. Schaefer & Co., Balt.	500
Stein Bros. & Boyce, Baltimore	500
Van Alstyne, Noel & Co., New York	500
Wyeth & Co., Los Angeles	500

Offering—The preferred stock will be offered to the public, at a price to be supplied by amendment to registration statement. The underwriting commission is $2 per share

Proceeds will be used for additional working capital

Registration Statement No. 2-4974. Form A2 (3-30-42)

Amendment filed April 15, 1942, to defer effective date

ILLINOIS COMMERCIAL TELEPHONE CO

Illinois Commercial Telephone Co. **registered with SEC $5,750,000 of first mortgage 3⅜% bonds, due Oct. 1, 1971; and 24,000 shares of $5 cumulative preferred stock** no par

Address—607 E. Adams St., Springfield, Ill.

Business—This subsidiary of General Telephone Co. is engaged in providing without competition, telephone service to 180 communities and surrounding territories in Illinois, including Kewanee, Monmouth, Macomb, Lincoln, Belvidere, Harrisburg, Olney, Mendota and Mt. Carmel

Underwriters, and amount of bonds and preferred stock underwritten by each, follow:

	Amt. of Bonds	No. of Shs. of pfd. stk
Bonbright & Co., Inc., New York	$2,875,000	12,000
Paine, Webber & Co., New York	2,156,000	9,000
Mitchum, Tully & Co., Los Angeles	719,000	3,000

Offering—Bonds and preferred stock to be offered to the public at a price to be supplied by amendment to the registration statement

Proceeds from sale of the bonds and preferred stock, together with $105,000 received from sale of 7,000 additional shares common stock, will be used in part to retire following securities of company: $5,750,000 First Mortgage Series A 3¾% bonds, due June 1, 1970, at 105½; 17,098 shares $6 preferred stock, at $110 per share; 1,108 shares $6 preferred stock owned by parent company, at latter's cost Balance of net proceeds will be used to purchase from General Telephone Corp the outstanding capital stocks of Central Illinois Telephone Co. and Illinois Standard Telephone Co., to make additions and betterments to company's plant and property, and for other corporate purposes

Registration Statement No. 2-4866. Form A2 (10-24-41)

Illinois Commercial Telephone Co. on March 19, 1942, filed an amendment to its registration statement disclosing that it now proposes to offer to the public $5,750,000 first mortgage 3½% bonds, due March 1, 1972. Previously, in original registration statement filed on Oct. 24, 1941, company had proposed to sell $5,750,000 of first mortgage 3⅜% bonds, due 1971, and 24,000 shares of $5 cumulative preferred stock, no par value

Proceeds from sale of the $5,750,000 of first mortgage 3½% bonds, due 1972, together with other funds of the company, are to be used to retire the outstanding $5,750,000 of first mortgage series A 3¾% bonds, due 1970

Underwriters of the 3½s of 1972, and the principal amount which each has agreed to underwrite, are: Bonbright & Co., New York, $2,875,000; Paine, Webber & Co., New York, $2,156,000; Mitchum, Tully & Co., Los Angeles, Cal., $719,000

INTERIM FINANCE CORP.

Interim Finance Corp. filed a registration statement with the SEC for 39,912 shares class A stock, $25 par; and 25,232 shares common stock, $1 par

Address—33 N. La Salle St., Chicago, Ill.

Business—Primary function of company is to loan money to enterprises whose debt and/or capital structures are being adjusted or reorganized by its wholly-owned subsidiary, H. M. Preston & Co. A secondary function is to loan money, with funds not used in its primary function, to provide "interim" or intermediate financing to enterprises until the financial positions of the borrower or a change in general capital markets open avenues for longer-term borrowing from customary sources

Underwriter—H. M. Preston & Co., Chicago, Ill., is the sole underwriter. The underwriting commission is $8 per unit

Offering—The class A stock is to be sold in units of 4 shares, at a price of $110 per unit. With at least the first 900 units, there will be included with each unit 4 shares of common stock; thereafter company reserves the right to reduce the number of common shares to be included in each unit of class A stock

Proceeds will be used for working capital

Registration Statement No. 2-4968. Form A-1. (3-18-42)

Amendment filed April 21, 1942, to defer effective date

INTER-MOUNTAIN TELEPHONE CO.

Inter-Mountain Telephone Co. filed **registration** statement with SEC for 25,000 shares common stock, voting, $10 par value

Address—Sixth and Crumley Sts., Bristol Tenn.

Business—Supplies telephone service in portions of Virginia and Tennessee

Underwriters—Alex. Brown & Sons, Baltimore; Mason-Hagan, Inc., Richmond, Va.; Stern, Wampler & Co., Inc., Chicago; Equitable Securities Corp., Nashville, Tenn.; Courts & Co., Atlanta, Ga.; R. S. Dickson & Co., Inc., Charlotte, N. C.; Minnich, Wright & Co., Inc., Bristol, Tenn.

Offering—The 25,000 shares of common stock will be offered to the public, at a price to be supplied by amendment to registration statement. The shares are to be offered for the account of the underwriters who are to acquire such shares as follows: Southern Bell Telephone & Telegraph Co and Chesapeake & Potomac Telephone Co. of Virginia, have agreed to sell to above underwriters, a total of 25,000 shares of 6% non-cumulative convertible preferred stock, $10 par, of company, at a price to be supplied by amendment (20,665 shares of such preferred to be sold by former, 4,335 shares by latter). Underwriters agree that immediately following delivery to them of such shares of preferred stock, each will convert same, share for share, into a total of 25,000 shares of common stock of company

Proceeds will be received by the underwriters

Registration Statement No. 2-4908. Form A2. (12-6-41)

Amendments to defer effective date filed Dec. 22, 1941, Jan. 9, Jan. 27, Feb. 14 and March 2, 1942

KLINE BROTHERS COMPANY

Kline Brothers Co. filed a registration statement with the SEC for $322,300 of 5% sinking fund notes, due May 1, 1952, and registration statement for certificates of deposit to be issued to holders of outstanding 5% notes of company, under plan of exchange

Address—132 W. 31st St., New York, N.Y.

Business—Operates 19 retail department stores located in various cities in Illinois, Michigan, Ohio, Iowa, Missouri, Pennsylvania and Georgia, selling merchandise of the character generally sold in small department stores

Offering—The new 5% notes will first be offered, par for par, in exchange for the outstanding 5% notes due Dec. 31, 1943, and May 1, 1944; latter noteholders, depositing under the exchange plan, will receive equal amount of certificates of deposit. Such of the new notes not issued in exchange for the outstanding 5% notes, will be sold to public, at 100 and accrued interest

Underwriting — Illinois Securities Co., Joliet, Ill., is the underwriter of the notes not issued under exchange plan

Proceeds will be used to retire all outstanding 5% notes of company

Registration Statements No. 2-4966 (D-1A, covering certificates of deposit) and 2-4967 (A2, covering new notes). (3-16-42)

Amendment filed April 18, 1942, to defer effective date

LIBERTY AIRCRAFT PRODUCTS CORP.

Liberty Aircraft Products Corp. filed registration statement with SEC for 60,000 shares Cumulative Convertible Preferred Stock, no par (dividend rate to be supplied by amendment), and 120,000 shares $1 par value common stock, latter to be reserved for issuance upon exercise of conversion rights of the preferred stock

Address—Farmingdale, N. Y.

Business—Engaged in manufacture and processing of parts and equipment for aircraft to customers' specifications, upon order. Owns about 50% of the outstanding common stock of The Autocar Co., which is engaged chiefly in the manufacture and sale of medium and heavy-duty motor trucks

Offering—The preferred stock will be offered to the public at a price to be supplied by amendment; the proposed maximum offering price, based on the SEC filing fee, is $25 per share

Underwriting—E. H. Rollins & Sons, Inc., New York, is named principal underwriter; names of the other underwriters will be supplied by amendment.

Proceeds will be used to the extent of $900,000 toward part payment of outstanding bank loans, and the balance will be added to working capital

Registration Statement No. 2-4934. Form A2 (1-28-42)

Offering has been indefinitely postponed, it was announced April 9, 1942

LIPE-ROLLWAY CORP.

Lipe-Rollway Corp. filed a registration statement with the SEC for 80,000 shares $1 cumulative convertible preferred stock, $10 par, and 160,000 shares class A stock, $1 par, latter reserved for issue upon conversion of the preferred stock

Address—208 S. Gedded St., Syracuse, N. Y.

Business—Incorporated in 1924 as W. C. Lipe, Inc., on March 16, 1942, the name was changed to Lipe-Rollway Corp. Part of the proceeds of this financing is intended to be used for acquisition by the company of all or at least a majority of the outstanding stock of Rollway Bearing Co., Inc., of Syracuse, N. Y. Business of the company, including that of Rollway Bearing Co., Inc., includes the manufacture and sale of machine tools, reamers, cutters, clutches, clutch parts, bearings, etc.

Underwriter—Barrett Herrick & Co., Inc., New York, is the sole underwriter

Offering—The preferred stock will be offered to the public at $14 per share; the underwriting commission is $2.10 per share

Proceeds will be used in part to acquire all or as many shares as possible of the outstanding capital stock of Rollway Bearing Co., Inc., the balance will be used for additional working capital

Registration Statement No. 2-4971. Form A-2. (3-23-42)

Amendment filed April 10, 1942, to defer effective date.

LINK-BELT CO.

Link-Belt Co. filed a registration statement with the SEC for 33,604 shares common stock, no par value

Address—307 N. Michigan Ave., Chicago, Ill.

Business—Company is engaged, normally, in the design, manufacture, sale and erection of elevating, conveying, material preparation and power transmission machinery and the manufacture and sale of castings

Underwriting and Offering—The shares registered are held by the company in its treasury, and are to be offered only to a selected group of officers and employees of the company at $26.48 per share

Proceeds of $888,600 will be used to reimburse the treasury of the company for the moneys expended by it in the acquisition of such shares, and to provide funds for additional working capital

Registration Statement No. 2-4960. Form A-2 (3-10-42)

Registration effective 5:30 p.m., E.W.T., on April 18, 1942

MILLER TOOL & MFG. CO.

Miller Tool & Manufacturing Co. **has** filed a registration statement with **the SEC** for 92,792 shares of common **stock,** $1 par value

Address—Detroit, Mich.

Business—Company is **engaged in the** manufacture and sale of service tools **for** use by the automotive industry

Underwriters—Baker, Simonds & Co., is named the principal underwriter

Offering—24,875 shares of common stock will be sold to the public for the account of the company; the remaining 67,917 shares registered are already issued and outstanding, and will be sold to the public for the account of certain selling stockholders. The public offering price is $4.20 per share

Proceeds will be used for the purchase of machinery and equipment and for working capital

Registration Statement No. 2-4920. Form S2. (12-26-41 Cleveland)

Amendment filed April 18, 1942, to defer effective date

ONTARIO NICKEL CORP., LTD.

Ontario Nickel Corp., Ltd., filed a registration statement with the SEC for 2,400,000 shares common stock, $1 par

Address—372 Bay St., Toronto, Canada

Business—This mining company owns six lease patents of mining claim in Strathy Township, Ontario, which is inactive at present. Also, holds an option to purchase certain mining properties in the Sudbury District, Ontario. Company plans to dismantle a portion of the mining plant set up on the Strathy property and move it to the Sudbury property and to produce nickel concentrates from the ore contained in the Sudbury ground, which will be marketed

Underwriting and Offering—The common stock will be sold to the public at the market, by George H. Johnson, Toronto

Proceeds will be used for development work, purchase of machinery and equipment, and for working capital

Registration Statement No. 2-4976. Form S-3 (3-30-42)

Registration effective, but under notice of deficiency 5:30 p.m. E.W.T., on April 18, 1942

PUBLIC SERVICE CO. OF INDIANA, INC.

Public Service Co. of Indiana, Inc., registered with SEC $42,000,000 first mortgage series D 3⅜% bonds, due Dec. 1, 1971

Address—110 N. Illinois St., Indianapolis, Ind.

Business—Incorporated in Indiana on Sept. 6, 1941, as result of consolidation of Public Service Co. of Indiana, Central Indiana Power Co., Northern Indiana Power Co., Terre Haute Electric Co. and Dresser Power Corp. Company is a public utility operating in State of Indiana and is engaged principally in production, generation, manufacture, purchase, transmission, supply distribution and sale of electric energy and gas, and in the supply, distribution and sale of water.

Underwriting and Offering—The bonds will be sold under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters, and public offering price, will be supplied by post-effective amendment to registration statement

Proceeds, plus other funds of company if necessary will be applied to redemption, within 40 days after issuance of the bonds, of the $38,000,000 of Public Service Co. of Indiana first mortgage series A 4% bonds due Sept. 1, 1969, at 106½ and accrued interest; and $4,000,000 of the net proceeds will be deposited with the trustee under the series D indenture and will be used in accordance with the provisions of the indenture

No bids for the purchase of the bonds were received on Dec. 16, 1941

Registration Statement No. 2-4893. **Form** A2. (11-22-41)

Effective—10 a.m. E.S.T. on Dec. 6, 1941

SHENANGO VALLEY WATER CO.

Shenango Valley Water Co. filed registration statement with SEC for 7,000 shares 5% cumulative preferred stock, $100 par

Address—Sharon, Pa.

Business—This subsidiary of Consumers Water Co. supplies water service principally in the city of Sharon, Mercer County, Pa.

Underwriting and Offering—The 5% preferred stock will first be offered in exchange to holders of the outstanding 6% preferred stock, on basis of one share of 5% preferred plus $5.18 in cash for one share of 6% preferred. Holders of at least 3,686 shares of 6% preferred must accept exchange offer before such exchange will be made. Such of the shares of 5% preferred as are not issued under the exchange offer will be underwritten and sold to the public, at 100. H. M. Payson & Co., Portland, Me., is the principal underwriter; names of the other underwriters will be supplied by amendment

Proceeds will be used to redeem all of the outstanding unexchanged 6% preferred stock, to pay the cash adjustment called for by the offer of exchange, to pay whole or part of outstanding $236,000 of notes payable of company, and to provide funds for completion of plant additions and improvements

Registration Statement No. 2-4983. Form A-2. (4-3-42)

SOUTHWESTERN PUBLIC SERVICE CO.

Southwestern Public Service Co. filed a registration statement with the SEC for: $18,500,000 of first mortgage and collateral trust bonds, due Feb. 1, 1972; $5,500,000 serial notes, due in equal annual amounts from Nov. 1, 1943, to Nov. 1, 1953, inclusive; and 85,000 shares of 6% cumulative preferred stock, $100 par value

Address—Dallas, Texas

Business—This company and its subsidiaries are engaged principally in the generation, transmission, distribution and sale of electricity, serving certain communities in Texas, New Mexico, Oklahoma, Louisiana, Arkansas and Arizona. Under a plan of integration and simplification proposed to be consummated under section 11 of the Holding Company Act simultaneously with the consummation of the present proposed financing, the company proposes to effectuate the following transactions: Merger of Community Power & Light Co. and General Public Utilities, Inc. (the two present parent companies of the company) into the company; liquidation of Texas-New Mexico Utilities Co.; recapitalization and partial liquidation of Gulf Public Service Co.; purchase of Panhandle Power & Light Co., Cimarron Utilities Co. and Guymon Gas Co.; and refunding of the entire outstanding funded debt of the company itself. Upon completion of the transactions involved in foregoing, it is expected that the company will have no parent

Underwriting—Dillon, Read & Co., of New York, is the principal underwriter; the names of the other underwriters will be supplied by amendment

Offering—The bonds, serial notes and 6% preferred stock, will be sold to the public, at prices to be supplied by amendment

Proceeds from sale of the new securities will be added to the company's general funds and will be applied to effectuate the various financial transactions involved in the plan of integration and simplification, and the refinancing of the company's outstanding funded debt

Registration Statement No. 2-4981. Form A-2. (3-31-42)

Amendment filed April 17, 1942, to defer effective date

R. L. SWAIN TOBACCO CO., INC.

R. L. Swain Tobacco Co., Inc., filed a registration statement with the SEC for 5,000 shares Class A common stock, $1 par value, and 60,000 shares Class B common stock, $1 par value

Address—Danville, Va.

Business—Company markets Panax Processed Pinehurst cigarettes, manufactured for company under its Panax Process by Axton-Fisher Tobacco Co., Inc. The Panax Process acts as a hygroscopic or moisture retaining agent. Panax is a demulcent—soothes the membranes of the throat, and is tasteless and oderless

Underwriting and Offering—The shares will be offered to the public at a price of $5 each for each class of stock. John W. Yeaman, Martinsville, Va., who was named as underwriter, withdrew on Jan. 31, 1942

Proceeds will be used for plant additions, for purchase of additional equipment, and for working capital

Registration Statement No. 2-4928. Form A1 (1-9-42)

Registration effective 4:45 p.m., E. S. War Time, on March 2, 1942

No public offering made up to April 20, 1942. Company through its officers, is disposing of a limited number of shares

UNION ELECTRIC CO. OF MISSOURI

Union Electric Co. of Missouri filed a registration statement with the SEC for 2,695,000 shares common stock, no par

Address—315 N. Twelfth Blvd., St. Louis, Mo.

Business—This subsidiary of The North American Co. is engaged primarily in the transmission, distribution and sale of electric energy, which it generates and purchases from its subsidiaries, serving the city of St. Louis, Mo., and portion of 5 adjacent Missouri counties and of 3 counties in Missouri adjacent to the company's Osage hydroelectric plant

Underwriting—Dillon, Read & Co., New York, is named the principal underwriter. Names of the other underwriters will be supplied by amendment

Offering—The 2,695,000 shares of company's common stock are outstanding and are owned by its parent, The North American Co., who will receive the entire proceeds from the sale to the public of such shares

Registration Statement No. 2-4940. Form A2 (2-2-42)

Union Electric Co. of Missouri, on Feb 9, 1942 filed an amendment to its registration statement, naming the underwriters, 141 in all, who will publicly offer the 2,695,000 shares (no par) common stock all of which are owned by its parent company, The North American Co. The names of the underwriters, and the maximum number of shares of such common stock which each agreed to purchase were listed in the "Chronicle" of Feb. 26, 1942, page 846

Amendment filed March 2, 1942, to defer effective date

UNION LIGHT, HEAT AND POWER COMPANY

Union Light, Heat and Power Co. registered 25,000 shares $100 par common stock

Address—4th & Main St., Cincinnati, Ohio

Business — Operating electric utility company

Underwriter — Columbia Gas & Electric Corp.

Offering—Stockholders will receive offer to subscribe to 25/94ths of one common share in units of 5/94ths of a share for each 5/94ths of a share held at $5.3 for each unit. On a share basis, stockholders may subscribe to 5 new share for each share held at $100.016 per share Substantially all outstanding stock is held by Columbia Gas & Electric Corp.

Proceeds—To repay current debt and $2,835,000 first mortgage bonds held by parent and associated companies, and for construction costs

Registration Statement No. 2-4379. Form A-2. (3-30-40)

Amendments filed Nov. 25, Dec. 13, Dec 31, 1941, Jan. 19, Feb. 7, and Feb. 26, 1942, to defer effective date

UNITED GAS CORPORATION

United Gas Corp. registered $75,000,000 first mortgage and collateral trust 3¼% bonds due 1958

Address—2 Rector Street, New York City

Business—Production and sale of natural gas; part of Electric Bond and Share System

Underwriters—None

Offering Terms—Bonds will be sold to institutional investors, whose names will be supplied by amendment, at 99.34%

Proceeds—To redeem $28,850,000 United Gas Public Service 6% Debentures due 1953; to pay 6% demand note of $25,925,000 to Electric Bond and Share; to repay $2,000,000 open account debt to E. B. & S.; and to purchase from United Gas Pipe Line Co., $6,000,000 of its 1st & Coll. 4% bonds due 1961. Balance will be used in part to reimburse treasury for capital expenditures and possibly to pay accumulated dividends of $9,502,490 on companys $7 preferred stock

Registration Statement No. 2-4760, Form A-2 (5-15-41)

United Gas Corp. filed amendment with SEC on Feb. 21, 1942, stating that it had been unable to further extend the purchase agreements with 14 insurance companies covering the proposed private sale to such insurance companies of $75,000,000 of the company's first mortgage and collateral trust 3¼% bonds, due 1959. This amendment states: "These purchase agreements expired on Feb. 16, 1942. The corporation intends to continue negotiations to the end that its bonds shall be either sold privately, by renewal of the aforesaid agreements or otherwise, or offered to the public as circumstances shall dictate in order to obtain the pest possible price."

Amendment filed April 16, 1942, to defer effective date

TEXAMERICA OIL CORP.

Texamerica Oil Corp. registered with SEC 119,891 shares common stock, $2 par.

Address — Milam Bldg., San Antonio Tex.

Business—Engaged in production and marketing of crude oil, acquire mineral leasehold interests in producing or proven oil properties in Texas, drilling of oil wells thereon, acquire royalty interests in proven and developed oil properties.

Underwriter—Willard York Co., San Antonio, Tex., has agreed to purchase 44,750 shares at $1.75 per share and 74,157 shares at $2. from company.

Offering—118,907 shares to be offered to public at $2.375 per share; remaining 984 shares registered constitute shares issued July 1, 1941, by company, as dividends.

Proceeds—Will be used to pay outstanding mortgage indebtedness ($200,000), and remaining $26,626 will be added to working capital

Registration Statement No. 2-4824 Form A-1 (8-27-41)

Amendment filed Feb. 11 to defer effective date.

TREASURE MOUNTAIN GOLD MINING CO.

Treasure Mountain Gold Mining Co. filed a registration statement with the SEC for 150,000 shares common stock, 25 cents par value

Address—Denver, Colo.

Business—Company has been organized to develop and operate gold and silver mines on Treasure Mountain, in San Juan County, Colo.

Underwriting—None

Offering—Company will sell such shares directly to the public, at a price of 50 cents a share

Proceeds will be used for working capital

Registration Statement No. 2-4937. Form S3 (1-29-42)

Amendment filed Feb. 11 to defer effective date

TUNG GROVE DEVELOPMENT CO., INC.

Tung Grove Development Co., Inc., filed registration statement with the SEC for Contracts for sale of land and development of tung groves thereon, aggregating $450,000

Address—Ocala, Fla.

Business—Engaged in the planting, cultivation and care of tung groves on lands of others under contract or upon orders from such owners, in Marion and Citrus Counties, Fla. Business is now being expanded to include the purchase, sub-division and sale of lands in these counties for development in tung groves

Underwriting—Details of underwriting or distributing method to be employed, will be supplied by amendment

Offering—Company will offer, through the Contracts, land suitable for tung grove development, together with its contract for the clearing, planting and development of a tung grove thereon, in units of not less than 10 acres at a total price of $45 per acre, payable one-fourth down and the balance in 3 equal annual payments

Proceeds for working capital, as payment for land sold and for development work and materials

Registration Statement No. 2-4935. Form S2 (1-28-42)

Registration Effective but apparently deficient at 4.45 p.m. E. S. War Time on Feb. 16, 1942. A hearing set before the SEC for March 3 postponed to March 31, 1942. Hearing at Ocala, Fla.

Request to withdraw registration statement filed April 13, 1942.

VIRGINIA PUBLIC SERVICE CO.

Virginia Public Service Co. filed a registration statement with the SEC for: $22,800,000 first mortgage 3½% bonds, due Dec. 1, 1971; $5,700,000 of 2%-3½% serial notes, due semi-annually June 1, 1944-Dec. 1, 1951, in varying amounts (from $320,000 to $390,000); 70,000 shares 5½% cumulative preferred stock, $100 par value; and 628,333 shares common stock, no par

Address—117 S. Washington St., Alexandria, Va.

Business—Company is principally an electric operating public utility engaged in the production, purchase, transmission, distribution and sale of electric energy at retail and wholesale in Virginia, West Virginia and, to a minor extent, in North Carolina. Company is a subsidiary of General Gas & Electric Corp., which is in the Associated Gas & Electric Corp. holding company system

Underwriting and Offering—The securities registered will be sold through competitive bidding, under the SEC's competitive bidding Rule U-50 of the Public Utility Holding Company Act. Only exception is confined to such shares of the new preferred stock as may be issued on a share for share basis (with a cash adjustment) to holders of the presently outstanding preferred stock who do not elect to take cash for their stock. Name of underwriters, and public offering prices for the securities, will be supplied by post-effective amendment to registration statement

Proceeds will be used as follows: The 628,333 shares of new no par common stock will first be issued to General Gas & Electric Corp. in exchange for the old common stock now held by General Gas & Electric Corp., and will be offered for sale through competitive bidding. The proceeds from the sale of the securities registered will be used to retire all of the outstanding long-term indebtedness of the company, its predecessor and constituent companies, and that of Virginia Public Service Generating Co. (a subsidiary), to make cash payments to its present preferred stockholders, and to provide company with funds for new construction

Registration Statement No. 2-4913. Form A2. (12-12-41)

Amendments to defer effective date filed Dec. 26, 1941, Jan. 10, Jan. 31, Feb. 19 and March 5, 1942

WEST INDIES SUGAR CORP.

West Indies Sugar Corp. filed a registration statement with the SEC for 453,691 shares of common stock, $1 par

Address—60 E. 42nd St., New York City

Business—Company, organized in 1932 pursuant to the plan of reorganization of Cuban Dominican Sugar Corp. and certain of its subsidiaries, is solely a holding company owning the securities of several operating subsidiaries engaged principally in the production of raw cane sugar and invert and blackstrap molasses in the Dominican Republic and Cuba

Underwriters will be named by amendment

Offering—The shares registered are already outstanding, and are owned by City Company of New York, Inc., In Dissolution, to the extent of 436,691 shares; National City Bank of New York, parent of the former company, is the holder of the remaining 17,000 shares registered. The aggregate of the shares registered represents 47.7% of the outstanding common stock of the company, and will be offered to the public, at a price to be supplied by amendment

Proceeds will be received by the selling stockholders

Registration Statement No. 2-4923 Form A2. (12-29-41)

Amendment filed March 14, 1942, to defer effective date

Calls Sales Tax Unfair To Low Income Groups

Randolph Paul, tax adviser to the Secretary of the Treasury, declared on April 14 that a general retail sales tax would hurt persons in low income groups the most and described it as "one of the best examples of willingness to have taxes paid by the other fellow—in this case the fellow least able to pay."

Speaking before the National Association of Insurance Agents at the Hotel Pennsylvania, New York City, Mr. Paul said that, instead of a curb, a sales tax might prove a spur to inflation, as it would make the problems of wage and price controls more difficult.

He also asserted that the theory that a sales tax would produce high revenues is a "great illusion" but that, if it were adopted, it would have to be as high as 10% on all kinds of products in order to raise $4,500,000,000, or justify its enactment. Mr. Paul further said that the cost of collection of such a tax would be very high.

Highest March Construction Awards Since 1927

Total construction contracts awarded last month in the 37 eastern states amounted to $610,799,000, according to a statement released April 16, by F. W. Dodge Corporation. This is the highest March total recorded since 1927 and is almost $131 million or 27% ahead of the corresponding month last year.

Each of the three major categories of construction, non-residential, residential and heavy engineering (public works and utilities) show substantial increases over last year on the basis of comparing March 1942 and March 1941 and on comparing first quarter records of the two years.

PERCENTAGE CHANGES—1941-1942

	March Increases	First Quarter Increases
Non-residential	15%	28%
Residential	48	31
Pub. Wks. & Util.	22	29
Total construction	27%	29%

Indication of the progress of conversion of construction to war purposes is seen in the fact that 72% of the 1942 first-quarter dollar total was for public projects, as compared with 47% of the 1941 first-quarter total. In other words, public construction contract volume in the first quarter of this year was nearly double the volume of the first quarter of last year, while dollar volume of private construction declined about one-third. The freeze order issued by the War Production Board on April 9 will speedily convert practically all construction activity to war purposes.

FDR Urges More Use Of Inland Waterways

President Roosevelt recently revealed that plans are under way for greater use of the inland waterway along the Atlantic seaboard. The President said that perhaps the old shipyards in New England, where wooden schooners used to be built, could be reopened to construct wooden barges for use on the waterway as far as Jacksonville, Fla., where the 11-foot channel ends.

Associated Press Washington advices reported:

> From Jacksonville, Fla., north, Mr. Roosevelt said, an 11-foot channel can be obtained, but south of there the channel is only six feet deep. That almost precludes the use of the southern end of the inland waterway and necessitate a transfer of cargo at Jacksonville, the President asserted.
>
> While he cautioned reporters against starting a new controversy over a Florida ship canal, he remarked there was no way, by water, of getting across the Florida peninsula.
>
> To deepen the six-foot channel, he remarked, would take too long and require much valuable manpower and machinery. So, he said, we must do the best we can with what we have.
>
> He said it seemed perfectly possible to build the wooden barges and not interfere with the use of steel for war purposes. He said the wooden barges would be cheaper than concrete, self-propelled barges, to which some consideration had been given.

Greater utilization of the Nation's inland waterways to help relieve the shipping situation was advocated by President Roosevelt on March 28 in a letter to Representative Mansfield (Dem., Tex.), Chairman of the House Rivers and Harbors Committee.

Reporting this Associated Press Washington advices said:

> The President wrote that "sufficient equipment to accommodate the tonnage" was not now available, but "this subject has already been taken actively in hand and is being carefully studied by the Office of Defense Transportation, the war shipping administrator and others.
>
> Saying the program presented problems such as obtaining necessary strategic materials, providing construction facilities and, in some instances, dredging of waterways, the Chief Executive added:
>
> "I am hopeful that something constructive may be worked out without undue delay."
>
> Mr. Mansfield had written the President pointing out the availability of the waterways for the shipment of heavy commodities vital to national defense, such as petroleum and its products.
>
> Mr. Mansfield also has proposed construction of a waterway across northern Florida of suitable dimensions for barge traffic to connect these existing waterways.
>
> A resolution directing the army engineers to make a survey for such a development was adopted today by the Rivers and Harbors Committee, the Chairman announced.

In USO War Fund Drive

Three leaders in banking, industry and law have accepted appointments as Chairmen of important sections of the Greater New York USO War Fund Appeal, it was announced on April 7 by Henry C. Brunie, General Chairman of the New York USO Committee, and Winthrop W. Aldrich, Chairman of the combined Commerce and Industry Division. They are:

> John C. Traphagen, President of the Bank of New York, for the Finance Section.
>
> John A. Brown, President of Socony-Vacuum Oil Co., Inc., for the Industry Section.
>
> Archibald G. Thacher, of Barry, Wainwright, Thacher & Symmers, for the Professional Section.

These are the first three section chairmanships to be filled, in preparation for the opening of the campaign, May 11, in which $32,000,000 is to be raised nationally for the continuance and expansion of the work of United Service Organizations. Chairmen for the Commerce Section and the Labor Section are yet to be named.

At the same time, announcement was made that the executive Vice-Chairmanship of the New York USO War Fund drive has been accepted by George J. Lyons, customer service manager of the New York Telephone Co., while W. E. Cotter, of Union Carbide and Carbon Corp., will serve as Executive Vice-Chairman of the Commerce and Industry Division. The appeal will be opened simultaneously in 6,000 cities and communities through the United States and will close on Independence Day, July 4.

Bank of England Head

Montagu Norman, Governor of the Bank of England, has been reelected to that post for the 23rd successive time, it was announced in London on April 14. Basil Gage Catterns was reelected Deputy Governor.

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Illinois Dealers Drive For War Bond Sale

CHICAGO, ILL.—The securities industry of Chicago and Illinois, preparing for an increasingly important part in war financing, has enlarged the three-man committee appointed last January to cooperate with State War Bond Administrator Norman B. Collins until it has become a "committee of 100." Representatives of practically every securities house in Chicago are included and in addition there are members from the other principal cities of the State.

Jay N. Whipple, of Bacon, Whipple & Co., has been named Chairman of the augmented committee. Vice Chairmen are: Carl J. Easterberg, of Riter & Co.; Albert D. Farwell, of Farwell, Chapman & Co.; T. E. Hough, of Halsey, Stuart & Co.; Ralph S. Longstaff, of Rogers & Tracy; John S. Loomis, of Illinois Company of Chicago; Nathan D. McClure, of Harriman Ripley & Co. and Francis F. Patton, of A. G. Becker & Co.

Over 500 Chicago investment securities men on April 20 and 21 took an intensive course of instructions in how to transmit some part of their special training and experience in selling securities to 100,000 "Minute Men," amateur securities salesmen who on May 11, 12 and 13 will solicit pledges to buy War Bonds from every person in Chicago who has an income, no matter how modest. The especially prepared series of lectures and demonstrations were given under the direction of experts in mass psychology from Northwestern University School of Commerce. Sponsoring the program is the Illinois Committee of the Securities Industry for War Financing.

To Form Blumenthal Co.

Simon B. Blumenthal, member of the New York Stock Exchange, and Maurice B. Blumenthal, Jr., will form S. B. Blumenthal & Co., Exchange member firm, with offices at 30 Pine St., New York City, effective May 1. Simon B. Blumenthal was formerly an individual floor broker; Maurice Blumenthal was a partner in Faroll Brothers.

Kidder, Peabody To Admit

H. Albert Russell will acquire the Exchange membership of Chandler Hovey, partner in Kidder, Peabody & Co., 17 Wall St., New York City, members of the New York Stock Exchange and other leading Exchanges, and will be admitted to partnership in the firm on April 30.

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The Chicago City Railways and the Chicago Railways Companies

(Continued from page 1610)

temporary investment in Series "A" Bonds, Equipment Certificates of the New Company, prime bankers acceptances and obligations of the United States.

The Indenture shall provide for the issuance of First Mortgage Bonds in series. The first series shall be known as First Mortgage 5% Bonds, Series A, and shall be limited in aggregate principal amount to the unpaid principal amount of the First Mortgage Bonds of the Surface Lines now outstanding in the total aggregate principal amount of $72,718,350.

The Series "A" Bonds are to be dated not later than the effective date of the Plan, shall be due 30 years after date, shall bear interest at the rate of 5% per annum, payable semi-annually February and August 1, and shall be redeemable in whole or in part at any time on not less than 30 days' notice at their principal amount plus unpaid interest accrued to the date of their redemption.

The First Mortgage Series "A" Bonds, as well as the First Mortgage Series "B" Bonds, shall be redeemable in their entirety at any time within three years after the date of issuance at their principal amount with unpaid interest accrued, upon deposit of funds derived from the sale of its Optional First Mortgage Bonds or otherwise sufficient to pay 50% of the outstanding principal amount of said bonds and to pay all unpaid interest accrued to the date of redemption, together with Second Mortgage Income Bonds of the New Company in an amount equal to 50% of the principal of the outstanding First Mortgage Series "A" and "B" Bonds.

The Indenture is to provide that, as long as any of the Series "A" Bonds are outstanding, no dividends shall be paid or declared except out of the net income of the New Company and except after a sum sufficient to pay the next maturing installment of interest on the Series "A" Bonds has been set aside for the purpose and after all sinking fund requirements for prior periods have been fulfilled.

The New Company is to set aside annually and deposit with the Trustee as a sinking fund for the retirement of Series "A" Bonds an amount in cash or in principal amount, re-acquired by the New Company, for a period of 15 years after the date of issuance of the bonds, equal to the aggregate of: (1) An amount equal to 1¼% of the principal amount of Series "A" Bonds initially issued and/or subsequently issued; (2) An amount equal to the annual interest charges upon all Series "A" Bonds theretofore retired by the operation of the sinking fund and (3) An amount equal to 4% of the general cash of the New Company upon the effective date of the plan.

The Indenture is to provide that, after the payment of all receivership, foreclosure and reorganization costs and expenses to be paid by the New Company, and after there shall have been set aside for working capital such amounts as the Board of Directors of the New Company may deem advisable, the remaining funds of the New Company (not required for interest and principal and sinking fund payments on equipment and modernization loans), but not exceeding $8,000,000, shall be paid to the Trustee and set aside in a special temporary interest reserve fund to pay the interest on the Series "A" and "B" Bonds. Such remaining funds shall be paid first out of available free cash and then from any renewal and equipment reserve funds.

The moneys paid into the Sinking Fund shall operate as a purchase fund, permitting First Mortgage Series "A" Bonds to be acquired by the Trustee in the open market or by tender at the lowest prices obtainable. In the event bonds sufficient to exhaust all moneys in the sinking fund cannot be so acquired by purchases at less than the redemption price, the balance of the moneys in the sinking fund shall be used to redeem the First Mortgage Series "A" Bonds at the redemption price.

Regarding Chicago City Railways and Chicago Railways controlled by Chicago Surface Lines System, interest has been paid continuously through and including August, 1941 and petition has been filed for interest payment due Feb. 1, 1942 by First Mortgage Bondholders Committee. Court has deferred payment, pending further developments in the unification proceedings.

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Dealers Committee For War Financing Set Up

Establishment of the National Committee of the Securities Industry "in order to coordinate and direct our National effort to aid the Government in financing the war," was announced on April 16. In a circular to member firms of the securities industry, signed by James F. Burns, Jr., President of the Association of Stock Exchange Firms; H. H. Dewar, Chairman of the National Association of Securities Dealers, Inc., John S. Fleek, President of the Investment Bankers Association of America, and Emil Schram, President of the New York Stock Exchange, it was pointed out that "on March 31 the necessity for this was clearly demonstrated when the Secretary of the Treasury called upon the undersigned to organize the industry for the specific job of soliciting 10,000 corporations for the purchase of the Treasury Certificates of Indebtedness to be offered April 6." The signers of the circular add:

> This Committee was that day set in motion and a nationwide coverage was hastily improvised. The results have been most gratifying to the Committee and to the Treasury, the latter realizing full well the shortness of time allowed for the task. The list of corporations was thoroughly covered by direct solicitation and your immediate effective response has given impressive proof of the usefulness to the nation of the training and experience in this business.
>
> You will be interested in a brief review of the steps already taken by the industry to assist the Government in its war financing. Last December the ASEF, IBA, NASD, and NYSE, as representatives of the industry, offered their services to the Treasury. In January the heads of these organizations were called to Washington for a four-day conference, as a result of which committees representing the industry were formed in each state to work with their respective State Administrators of the Defense Savings Staff of the Treasury Department, and to mobilize the energies of the securities firms in their states for active duty when called. In some states local committees had previously been set up and were already hard at work. All these state committees have endeavored to co-operate with their State Administrators and, in many cases, have been able to accomplish much in the sale of Defense Bonds. In February the Treasury Department appointed T. J. Bryce, a partner of Clark, Dodge & Co., New York City, as Securities Industry Liaison Officer of the Defense Savings Staff. He is serving on a full-time basis as a volunteer and is co-operating closely with the undersigned and with all our state committees in giving advice and developing plans for our contribution to the national effort.
>
> In establishing this National Committee, the undersigned are acting to promote unification and co-ordination of the industry's activities and, most especially, as demonstrated during the past week, to have a nationwide organization ready at a moment's notice for specific assignments when and if called upon by the Treasury. In the interest of economy and efficiency, we have established an office at 33 South Clark Street, Chicago, from which central point all general and routine communications and memoranda containing recommendations and detailed instructions will be mailed.

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(common & preferred)
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Merrimac Mfg. Co.
Evans Wallower Zinc
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Mexican Internal & Ext'l Bonds
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Revise SEC Rule On Security Registration

The Securities and Exchange Commission announced on April 14 a revision of Rule X-12A-5 under the Securities Exchange Act of 1934. This rule provides a temporary exemption of certain securities from registration under Section 12 of the Act. The Commission states:

> Among the securities to which the exemption applies are securities resulting from a modification of a security listed or admitted to unlisted trading privileges on a national securities exchange, referred to as the "original" security, securities of the same or another corporation into which the original security is changed as a result of a statutory consolidation or statutory merger, securities issued in respect of the original security pursuant to a plan of reorganization confirmed by a court of competent jurisdiction, securities distributed in liquidation in substitution for the original security, and additional securities resulting from an assumption of liability upon the original security by a person other than the original issuer thereof.
>
> The revision broadens the rule to provide an exemption for an entire class of securities where the original security has come to evidence 10% or more of the outstanding securities of the class of which the exempt security is a part if securities of the class are listed and registered on a national securities exchange. The exemption expires after 60 days subject to earlier termination by certain events such as registration or the granting of unlisted trading privileges, and subject also to an extension or prior termination of the exemption by the Commission if the Commission finds it appropriate in the public interest or for the protection of investors to do so.

Irving Stein Admits

H. Landau Stein has been admitted to partnership in the firm of Irving Stein & Co., 25 Beaver St., New York City. Nathan Lukow has retired as a partner in the firm.

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Final Edition THURSDAY **In 2 Sections – Section 2**

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Delay Action On War Profit-Labor Curb Bill Until After Presidential Message On Inflation

The House Naval Affairs Committee has postponed until after April 27 a vote on the legislation now before that group calling for suspension of the 40-hour work week, freezing open and closed union shop conditions, and a limitation on war profits and union initiation fees.

Discussion of the various measures on this matter was abandoned by the House group on April 20 in view of the announcement that President Roosevelt plans to send to Congress early next week a special anti-inflation message. The President also intends to address the nation on this program following the submission of the program to Congress.

A new measure, sponsored by Representative Vinson (Dem., Ga.), Chairman of the House Naval Committee, as a compromise for the bill introduced earlier by him and Representative Smith (Dem., Va.), was presented to the House Committee on April 14. It provides for an extension of the basic work week in war industries from 40 to 48 hours, proposes to limit profits on war contracts of $100,000 or more to $6,000 plus 8% of the cost of the contract and freezes closed and open shops for the duration of the war. The legislation would also provide a system of government-financed "incentive bonuses" for employees of war contractors and limit union initiation fees to $5 and dues and assessments to $2 monthly.

The original bill proposed a 6% profit limit on navy contracts over $10,000, outlawed closed shops and suspended the 40-hour week.

Secretary of the Navy Knox told the Committee on April 14 that suspension of the 40-hour work week would only result "in confusion and delay" in the war program and that substitution of the 48-hour week would cut wages 10%. He also expressed opposition to Congress enacting restrictive labor legislation, preferring instead voluntary stabilization of management-labor relations for the duration through establishment of a national war labor policy.

As to applying statutory curbs on profits, the Secretary said that he favored recapturing excess profits through taxation, explaining that the profit motive is still relied upon as an important factor in the inducement of extraordinary war production and industrial effort.

FROM WASHINGTON AHEAD OF THE NEWS

By CARLISLE BARGERON

It must be heartening to all "forward looking" people, as Dorothy Thompson would say, that the Republicans out in Chicago, have resoluted in favor of this country's taking its "rightful place" in the world after the war. Aside from the fact that the National Committee can't bind a party, aside from the fact that even when a whole National political convention resolutes it seldom means anything, aside from the fact that events shape men instead of men shaping events, the action in Chicago practically clinches our taking our "rightful place" in the world when the war is over. The argument then is concluded and all "forward looking" people will rejoice.

The only thing left to figure out is what our rightful place is.

Our rightful place after the last war was to exercise a restraint over France and Britain in formulating the peace treaty, to continually hound them in subsequent years to get off of Germany's neck, to pour money into Germany which Germany in turn sent to Britain and France which they in turn applied to their war debts to us. Presumably this would have been our policy had we been a member of the League of Nations thus "occupying our rightful place" or "exercising our leadership" in world affairs. "Exercising our leadership and rightful place" or "helping the world to solve its affairs" in more recent years, we tried to get Britain and France to apply sanctions against Mussolini when he went into Ethiopia, we tried to get Britain to help us resist the Japanese occupation of Manchuoko. Presumably the outcome would have been the same had we been a member of the League of Nations "occupying our rightful place, exercising our leadership, helping the world," etc., etc. I have no doubt that our politicians will be helping to save the world for the next 25 years just as they have been helping to save it for the past 25 and to the world's detriment.

(Continued on page 1639)

Binders For The Convenience Of Our Subscribers

Arrangements have been made with the "Expandit" Binder to supply temporary binders in which to file current issues of the Financial Chronicle in its new form. These will facilitate the use of the Chronicle and will protect copies against mutilation and loss. The cost is $2.50 plus postage for each of these binders which is designed to hold two months' issues of the Financial Chronicle. Orders for binders should be sent to "Expandit" Binder, 25 Spruce Street, New York City.

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THE FINANCIAL SITUATION

Shall we permit theories about our plans for winning the peace to impede our effort to win the war? Do the President, his articulate aides and propagandists, and Mr. Willkie and his ardent supporters believe such a course to be the part of wisdom? We can not bring ourselves to believe so. Yet it must be said in all candor that we not infrequently seem to be in danger of this blunder, and that the aggressive attitudes of both the Administration and Mr. Willkie concerning post-war policies appear to aggravate that hazard if, indeed, they do not actually create it.

These observations are inspired at this particular moment by Mr. Willkie's insistence that the Republican National Committee, meeting this week in Chicago, commit the party, so far as the Committee is able to commit it, to aggressive post-war internationalism. Mr. Willkie's success in Chicago appears to be debatable, but that is not the point. He has definitely injected this issue into the coming campaign, and he and his followers apparently have no idea of permitting it to die or even to sleep. Here is what Mr. Willkie himself has to say of the resolution covering the subject here in question. His words appear to us to be ominous.

> The resolution as passed adopts principles of international relations which are essential to the survival and effectiveness of the Republican Party and of this Nation, namely, an abandonment of isolationism and a recognition of the necessity for the United States to assume a positive position in world affairs both now and after the war is over.
>
> The next job for Republicans to do is to see to it that in the coming primaries candidates are nominated not alone for Congress but for other positions of public influence who have the courage to declare and who believe sincerely these principles and their necessary implications.

Divisionist Tactics

All this, however, must, as ominous as it obviously is, be regarded as but an example of what is continuously tak-

(Continued on page 1628)

These Are Adequate!

We demand the prosecution of an offensive war, relentlessly and without reservation, whatever it may cost in wealth, energy or human life, until the United States and its allies have won a complete victory over their enemies. * * *

We pledge to preserve the two-party system, to guarantee the continuance of our present American constitutional form of government and the sacred safeguards provided in our Bill of Rights for ourselves and for future free Americans. We further pledge the preservation of our present system of free and private enterprise.

That through informed and aroused public opinion, and through our elected representatives in Congress, we will be a constructive and energetic force in the conduct of the war effort and will urge upon the Administration in power whatever measures seem necessary to that end.

Specifically, we demand:

(a) The selection of men and women best fitted to do the job, regardless of party affiliation or economic status; and also the weeding out of inappropriate and unfit political appointments throughout the Government's war machinery.

(b) The drastic reduction of all non-essential war expenditures and the conservation of the resources of the Nation to the essential and direct purpose of winning the war.

(c) The elimination of non-essential domestic regulations and the concentration of our minds and man power against the enemy. * * *

We will vigorously oppose any effort by the Administration to use the war emergency as an excuse for the extension in domestic affairs of unsound economic panaceas. * * *

We declare our conviction that no individual, or group of individuals, should profit excessively from this war and that there should be equitable distribution of its tragic burdens among our people.—**Republican National Committee.**

We think the Committee would have better served its party and its country had it confined itself to these or similar declarations.

Work Week Above 40 Hours In Most Plants

Hours of work in American industries engaged in war production are well above 40 a week, according to a survey of the shift schedules of a representative group of plants just made by the Management Research Division of The Conference Board. Only 10% of the plants studied confined their operations to 40 hours a week, says the Board, while 24% operated 168 hours a week, or around the clock seven days a week. 15% scheduled work for 144 hours, or six full days, and 5% worked more than six, but less than seven complete days. Thus, 44% of these plants worked at least six full days a week.

The Board's announcement bearing on the survey further said:

> The study points out that the number of hours an individual may work are not restricted to 40 a week by the Walsh-Healey Act and the Fair Labor Standards Act. Those Acts simply require that wages at the rate of time and a half must be paid for all hours in excess of 40 worked in one week, and according to the Walsh-Healey law, those worked in excess of eight hours in one day.
>
> Workers' schedules varied considerably in the plants studied. In nearly two-thirds of the companies, employees worked more than 40 hours a week. The analysis shows that the work week was 40 hours in 35%, more than 40 but less than 48 in 9%, 48 hours in 23%, 50 hours or more but less than 60 in 15%, and 60 hours a week or more in 8%. Individual weekly-hours schedules varied in 10% of the plants.
>
> Night shifts have become increasingly necessary in order to meet or anticipate delivery schedules on Government orders, and many companies are paying premiums to employees who work them, to compensate for the inconvenience and disruption of normal domestic arrangements that are inevitable. These premiums range from a minimum of two cents an hour to 20, but five cents, or 5%, is the most popular.
>
> Referring to the President's appeal last December to all companies producing war material to work around the clock, the Board's study concludes that these industries are extending hours and increasing the number of shifts as rapidly as they are permitted to do so by such factors as orders materials, labor supply, machines and local problems.

Market Transactions In Govts. For March

Market transactions in Governernment securities for Treasury investment and other accounts in March, 1942, resulted in net purchases of $5,814,450, Secretary Morgenthau announced on April 15.

The following tabulation shows the Treasury's transactions in Government securities for the last two years:

1940—		
April	$1,636,100	sold
May	387,200	purchased
June	934,000	purchased
July	No sales or	purchases
August	No sales or	purchases
September	$300,000	sold
October	4,400,000	sold
November	284,000	sold
December	1,139,000	sold
1941—		
January	$2,785,000	purchased
February	11,950,000	purchased
March	No sales or	purchases
April	$743,350	sold
May	200,000	sold
June	447,000	purchased
July	No sales or	purchases
August	No sales or	purchases
September	$2,500	sold
October	200,000	sold
November	No sales or	purchases
December	$60,004,000	purchased
1942—		
January	$520,700	sold
February	29,980,000	purchased
March	5,814,450	purchased

Editorial—

Argentine Banking and Trade

Argentina is one of the few neutral islands in a world at war. The extent to which the great conflict has impinged upon the leading South American country is clearly reflected, however, in the annual report of the Argentine Central Bank for 1941, which has just come to hand. The document makes interesting reading,—for it deals with many problems that will again become of foremost international importance when peace returns. And it contains a disclosure or two that may well be of vast ultimate importance for the Inter-American relations which occupy so much thought in Washington.

Conservative in its terminology, the report nevertheless makes it clear that boom conditions prevailed in many phases of Argentine activities, last year. It seems almost odd to read of active and thriving markets for real estate and securities. The war problems are pervasive, however, and make their appearance with the question of carrying crops that could not be exported in normal quantities to the normal European markets. The State used the reserves of the banking system to acquire the crops, and thus to avoid a sharp contraction of economic activities. As the war continues and shipping becomes scarcer, it is evident that this phase of Argentine affairs will become ever more perplexing.

In the vitally important sphere of international trade, Argentina experienced an abrupt change last year, which still is in cumulative effect. Foreign exchange was so scarce toward the end of 1940 that a credit of $110,000,000 was arranged in Washington. During 1941, on the other hand, the United States took ever greater amounts of Argentine products and, like England, found its ability to supply Argentina ever more curtailed by lend-lease and by war requirements. The Argentine problem turned from one of inadequate supplies of foreign exchange to a surplus. How to dispose of that surplus is one of the current problems that receives consideration in the bank report for 1941.

As every informed observer in the United States is aware, Argentina balanced its accounts with this country largely through acquisition of gold. This, indeed, is one of the few satisfactory developments of the last year relating to the gold standard. But gold was purchased largely because the Argentinians were unable to buy adequate amounts of merchandise in the United States, and the report emphasizes that public opinion in Argentina still has to grasp the implications of this change.

The phenomenon of "blocked devisen," which arose first in connection with the German-Argentine clearing arrangement, is still another chapter, and an absorbing one. For Great Britain blocked the Argentine sterling accounts, and also the accounts of some other South American countries. In this connection Argentina began last year to play the role of international banker for some other countries—a circumstance which had not previously been disclosed, despite its importance.

To alleviate the problem of blocked foreign exchange, Argentina began last year to repatriate the sterling debt owed to British investors. These operations were hampered to a degree by the absorptive capacity of the internal capital market of Argentina. But this did not prevent certain international operations relating to Bolivia and Paraguay, with which countries Argentina established a favorable trade balance. In order to liquidate such balances, Argentina acquired from the neighboring countries their blocked sterling, making payment in pesos. Just what use ultimately is to be made of such additional sterling balances naturally is uncertain, but it remains highly significant that Argentina decided to take up the sterling of its neighbors and thereby keep its trade with Bolivia and Paraguay active and progressive.

It is suggested in the report that the moment may have arrived to attempt a solution of the blocked devisen problem on a wider, or Continental, scope. This might lead, it is suggested, to use of the dollar for balancing accounts with sterling and other units. But if England has no more use for dollars than for pesos, then the mere territorial extension of the arrangement would afford no genuine solutions. The Argentine Bank notes correctly that this problem is receiving expert study in the United States, which will be able in the post-war world to throw its weight on the side of sound arrangements, or on that of strangling water-tight compartments. Like a scarlet thread throughout the report runs the implication that decisions reached in the United States will be of vital importance for all the world.

Editorial—

Labor Must Go "All Out," Too

As head of the President's new War Man-Power Commission, Governor Paul V. McNutt has been given an opportunity granted to only a very few men in the history of the world. At a time when the very life of this Nation is at stake, he has received a splendid mandate. By Presidential command, without limitation upon his daring or ingenuity, he has been instructed to:

> "Formulate plans and programs and establish basic national policies to assure the most effective mobilization and maximum utilization of the Nation's man power in the prosecution of the war; and issue such policy and operating directives as may be necessary thereto."

Such a task, worthily performed, would elevate the responsible agent to the most exalted rank among the statesmen entitled to the respect and gratitude of their fellow citizens.

With the first five months of American participation in the second world war rapidly approaching its end, it is obvious that the country's resources of human energy are not being utilized in civilian production with anything even approaching tolerable efficiency. Wherever one looks, it invariably appears that either production lags seriously below immediate and imperative necessities, or is absorbing an excessive and wasteful proportion of the available supply of labor.

The unfortunate truth is that labor, in the United States, is now organized not for production, but against it; not in the interest of productive efficiency, but for the aggrandizement of professional leaders, parasites upon industry. It is organized to obtain for labor the maximum possible wage rates with the absolute minimum of effort on the part of each individual employee, a vicious system amounting in practice to an armed neutrality on the part of those who ought in their own interest and the interest of society work loyally for the attainment of the utmost possible efficiency.

This is no new doctrine—it dominated the Industrial Workers of the World, the American Railway Union, the Workmen's Benevolent Association, the United Mine Workers, the Mollie Maguires, the International Hod Carriers' Union, the American Federation of Labor, and others too numerous to mention.

The 40-hour week, although an impediment, is not the chief impediment to the defense effort—in fact it has become only a thinly disguised trick to mulct increased wages from the defense industries. Incomparably more destructive of the productivity of American labor are the innumerable rules limiting the functions and output of individual employees regardless of the wages they receive or the number of hours during which they are on duty. Under a typical restriction of this sort, a particular employee bargains to work a day of eight hours, but is kept idle during part of that time on the ground that some operation, which he could easily perform, and which is so closely connected with his own employment that the latter must await performance of the former, belongs to another trade or employee and cannot be performed by the employee thus held in forced idleness. For one task a plainly superfluous helper is required; for another, an unnecessary inspection by a co-worker is demanded, thus interrupting the productivity of two employees. Many rules are enforced all limiting the speed of operations and compelling interruptions of effort by periods of idleness. The effects of these restrictions have been incalculable throughout industry.

Before the full effect of the war complications which began during 1939 were apprehended, there was a degree of superficial plausibility in the cry which urged all men to "spread the work." While many were unemployed, it was natural that many should have become convinced that the employment of larger numbers, even of numbers unnecessarily enlarged, would be desirable and beneficial. But even the most gullible ought not be deceived into accepting that misleading and mischievous doctrine as applicable when all the energy in the country ought to be unsparingly devoted to the single and supreme need of arming and supporting the Nation for the great test of its strength, patriotic devotion, and sound sense, now in progress.

At the present time, there can be no doubt that, with the control which the Axis powers have established over labor, the industry with which that labor is compelled to pursue its arbitrarily assigned tasks, the long hours, and the miserable pittances which it is obliged to accept as compensation, the cost of production to the Axis nations is insignificant when compared with the cost of the same article in the United States. Even English production, on a similar basis of comparison, is very much less costly than that in this country.

No one desires the establishment of Axis or English rates of wages or conditions of employment in the United States. Far from it. But it is nevertheless intolerable that every American industry should be today, in this supreme hour of exigency and danger, absorbing in its own activities a very large proportion of unnecessary and superfluous labor that is needed elsewhere and the lack of which is crippling and delaying essential production when time is the precise essence of the need. The release of all such labor to other employments and industries, where it is genuinely and urgently required, where it could function to the advantage of the whole people, has become the indispensable first requisite of this period. It is intolerable that such release should be postponed. Self-respecting labor ought not be patient with such conditions and would not be, if their full enormity were as generally comprehended as the separate instances are known, within his own field, to every competent observer.

Early and complete success in the war with the Axis lies readily within the potentialities of such a release of labor which is now totally unproductive, if the cessation of this waste is obtained without more delay than necessary for a fair and summary investigation of the facts. Without such release, the direst forebodings may come to pass.

The designation of the War Man-Power Commission by the President is a move in the right direction, but it is only that. Everything will depend upon the sagacity and courage of the man at the head of the new Commission. Governor McNutt can make of his great assignment everything that he has the will and the wisdom to discover. The results will not be long in appearing.

The war cannot be won until the woeful waste of man-power has been eliminated, and it will have to be eliminated in a determined and whole-hearted manner, sooner or later, if our Nation is to prevail with the least sacrifice and suffering.

American labor must also go "all-out" in this war.

The State Of Trade

Business activity showed slight weekly setbacks in some of the large industries, but on the whole business expansion continues on the increase. War production is swelling, and in a good many lines it can well be described as booming. It is pointed out that the physical volume of industrial production is now about 50% greater than it was at the peak of prosperity in 1929. However, the business picture is not altogether pleasing.

Failures among small manufacturers of peacetime goods who have been unable to convert to war work are now being reflected increasingly in indices of insolvencies.

Dun & Bradstreet, Inc., data reveal that commercial and industrial insolvencies during March forced 53 out of every 10,000 firms in existence out of business. Significantly, retail and wholesale failures declined, but industrial failures rose. During February failures were 50 out of every 10,000 firms in business. During January failures had reached a low of 45 insolvencies for each 10,000 firms in business.

It is said that failures among industrial concerns are likely to increase unless small manufacturers are more successful in getting war work than they have been in the past. A growing number of limitation orders are expected to shut down civilian producers whether they have inventories on hand or not.

Reflecting the vast expansion in war work, it is stated by Brig. Gen. F. J. McSherry of WPB's labor division, that 10,000,000 more workers will be absorbed into our war industries before the end of the year.

Thus, by next January 1, the United States will have about 17,500,000 people doing such work, the General told an interviewer.

"We had 29,000,000 people engaged in non-essential work last January 1, and only about 7,500,000 working on war production," he said. "By the end of this year we shall need an additional 10,000,000 workers in war production. Get that straight, an additional 10,000,000.

"After September, when the peak of the harvest is over, we are looking for about 400,000 agricultural workers to come into war factories. We're counting on 2,000,000 new workers this year—young men just out of school."

In view of the tremendous surge forward of war production work, most heavy industries are operating at or close to peak levels, showing wide margins above last year's figures in most instances.

Engineering construction awards in the week ended April 16, amounted to $148,577,000, an increase of 124% over $66,208,000 in the comparable 1941 week, but 40% below $246,344.000 in the preceding week, "Engineering "News-Record" reported.

The F. W. Dodge Corporation said total construction contracts awarded last month in the 37 Eastern States amounted to $610,799,000, the highest March total since 1937 and almost $131,000,000, or 27% greater than the same month in 1941.

Indication of the process of conversion of construction to war purposes is seen in the fact that 72% of the 1942 first quarter dollar total was for public projects, as compared with 47% of the 1941 first quarter total, F. W. Dodge Corporation states.

The electric light and power industry distributed 3,320,858,000 kilowatt hours of electric power during the week ended Saturday, April 11, the Edison Electric Institute disclosed. This was a more than seasonal gain for the week. The output was 1.2% higher than the previous week, and 14.3% over the comparable week during 1941.

The greatest improvement throughout the country was noted in the New England and Southern regions of the country. In New England power output gained 3.1% over the previous week, while in the Southern States the improvement over the preceding week was 3.8%.

Loading of revenue freight for the week ended April 11, totaled 814,233 cars, according to reports filed by the railroads with the Association of American Railroads and made public today. This was a decrease of 14,657 cars from the preceding week this year, 134,425 cars more than the corresponding week in 1941 and 195,128 cars above the same period two years ago.

This total was 135.61% of average loadings for the corresponding week of the 10 preceding years.

Operations of the steel industry have been advanced to 97.6% of ingot capacity this week against 97.2% last week and 99% a month ago, the American Iron & Steel Institute announced.

At 97.6% it is estimated that the week's turnout of ingots will be 1,651,100 net tons. For the like 1941 week production totaled 1,549,300 tons.

Department store sales on a country-wide basis for the week ended April 11, decreased by 12% from the figures for the same week a year ago, it was shown in the statistics made public by the Federal Reserve Board. Store sales were up 14% for the four-week period ended April 11, compared with a year ago.

Department store sales in New York City in the week ended April 11, were 16% smaller than in the same 1941 week, but in the four weeks ended April 11 were 8% larger than in the comparable period a year ago, the New York Federal Reserve Bank reports. The decline was due in most part to the fact that the week this year was the one immediately after Easter, while the week ended April 12, 1941, was the week just before Easter.

Retail prices are now close to 20% above the levels of last year. Retail sales gains have been running about 25% ahead of last year in recent months, the Federal Reserve Board index of department store sales during March reaching 122% of the 1923-25 average. The 25% gain is expected to continue over the next few months, indicating that in terms of physical units, sales may be only slightly above last year.

Estimated operating revenues of 88 Class I railroads, representing 82.7% of total operating revenues, increased 27.4% in March, compared with March, 1941, the Association of American Railroads reported recently.

The 88 reporting railroads had estimated operating revenues of $438.551,054, compared with $344,127,773 in March last year.

The labor manager board movement is reported as expanding sharply, and this no doubt is playing a substantial part in the increased acceleration of the war production effort. The names of 500 war plants in 32 States were listed by the War Production Board as full-fledged participants in the drive for increased armament production.

All have established joint labor-management committees and have undertaken the various promotional programs designed to stimulate a 25% increase in output on existing machinery.

The 500th report accepted was received from the Douglas Aircraft Company, where the labor-management committee said one plant alone had contributed some 5,841 suggestions for speeding production. "Suggestion boxes," to which all employes may contribute, are an important feature of the production drive.

The WPB said no accurate estimate was available as to the number of workers already enlisted in the campaign, but officials noted that three of the 500 companies had a total of more than 500,000 employes and that the grand total therefore "runs into millions."

Functions Of RFC In Relation To Business And War Effort Outlined By Henderson

Discussing "RFC In Its Relation to Business" Charles F. Henderson, Chairman of the Reconstruction Finance Corporation stated in Chicago on April 17 that "our major defense and war operations fall into three general groups:

(1) purchase of a reserve supply of essential raw materials handled through Metals Reserve Company, Rubber Reserve Company, and Defense Supplies Corporation;

(2) financing of plant construction, and the acquisition of machinery and equipment for the manufacture of military supplies and other products needed for war handled through Defense Plant Corporation; and

(3) war production loans made directly by the RFC chiefly to business concerns for working capital to enable them to carry out defense and war contracts.

Mr. Henderson spoke before the American Bankers' Association Credit Clinic, and in his remarks he stated that "from the time of its incorporation until July of 1940, a period of 8½ years, the RFC authorized loans of approximately $11,485,000,000, of which nearly $7,900,000,000 was disbursed, and on which over $6,000,000,000 or 76% has been repaid. He added:

> Payments are being made on the balance outstanding. In contrast to this, and since entering into the defense and war effort,—a period of less than two years,—this Corporation has made commitments aggregating $12,500,000,000 for defense and war purposes.

Mr. Henderson undertook to point out that "the RFC is not in competition with private industry." "We endeavor," he said, "to utilize the brains and facilities of men and organizations, skilled in this field, in order to quickly and effectively complete this necessary Government program." As to financing for small business he said:

> On March 26, 1942 the President issued an Executive Order to facilitate the financing of contracts for small business enterprises to enable them to engage in the war effort; thus additional facilities have been made available for the local banks to make and service war time loans, to participate in loans with the Reconstruction Finance Corporation, to assist in spreading defense orders among smaller enterprises, in procuring strategic and critical materials, to join most effectively in the war effort, in the end to bring victory. It goes without saying that the RFC will cooperate 100% with the War Department, the Navy Department, the Maritime Commission, the Federal Reserve Banks, and with any other lending institutions in the carrying out of this program.

Mr. Henderson also stated:

> Since I addressed your Association in New York City on March 6, 1942, the Reconstruction Finance Corporation has inaugurated a program to assist retail coal dealers in immediately building up their coal stocks in excess of present normal requirements so that possible shortage next fall and winter by reason of transportation difficulties might be averted. These loans will be made to cover retail dealer purchases on all coal shipped from producing mines prior to Aug. 1, 1942. The Reconstruction Finance Corporation will make the loans direct or participate with banks or other lending institutions. We feel that it would be most helpful to the retail coal dealers if these loans were originated and serviced through their local banks, the Reconstruction Finance Corporation participating therein.

As in the case of his March 6 address in New York, (to which we referred in our issue of March 19, page 1154) Mr. Henderson discussed the workings of the Defense Plant Corporation, the Defense Supplies Corporation, the Rubber Reserve Company, the Metals Reserve Company, all subsidiaries of the RFC.

Upham Urges Caution On Consumer Credit

According to Deputy Comptroller of the Currency C. B. Upham, bankers in war time have two important services to perform; the first as molders of public opinion and the second as purveyors of credit to war industries. Mr. Upham made this statement in addressing in Chicago on April 17 the Credit Clinic of the American Bankers' Association at Chicago. Advices from Chicago to the New York "Sun" reporting this further stated:

> The Deputy Comptroller said that the uncertainties of war and post-war conditions would leave their mark upon consumer credit—"especially that type of consumer credit represented by paper which a few banks are acquiring from large mail order houses and finance companies, where the bank's safety is dependent wholly or almost wholly upon the financial responsibility of persons cattered throughout the country whom the bank doesn't know or have any record of and who, in some cases, do not know that their obligation has been transferred to the bank.

Special advices to the New York "Times" quoted Mr. Upham as saying:

> "Do not misunderstand,," the speaker said. "I am not urging that all consumer credit be cut off or that banks will refrain from making small personal loans. On the contrary, consumers will of necesisty need credit, and it is wholly appropriate for banks to furnish that credit but they should do so with their eyes open. * * * In taking consumer paper from finance companies and merchandising firms of various types and magnitudes, you should look to the true essentials of the contract."
>
> Mr. Upham warned that if a few bankers "sow the wind of increased consumer credit they and all bankers and their fellow-Americans will reap the whirlwind of higher prices, unjust and ill-balanced re-allocations of property and income, individual and institutional bankruptcy and the social and political evils which grow in such soil."

Cut Rediscount Rate

The Federal Reserve Banks of Cleveland and Kansas City have reduced their rediscount rates from 1½% to 1%, effective April 11, 1942, thus making a 1% rate in effect at all the Reserve Banks. This action follows a similar reduction made in recent weeks at various other Reserve Banks. The 1½% rate had been in effect at the Cleveland Bank since May 11, 1935, and at the Kansas City Bank since Sept. 3, 1937.

The most recent lowering of the rate was reported in our issue of April 9, page 1448.

Warns Of Axis 'Peace' Offensive

Warning that "an Axis offensive on the psychological front" is in the making, Archibald MacLeish, Director of the Office of Facts and Figures, on April 20 called in the American press to prepare the people through the "strategy of truth" to meet the danger of an Axis "peace" offensive this Summer. Speaking before 600 editors and publishers at the annual meeting of The Associated Press at the Waldorf-Astoria, New York City, Mr. MacLeish asserted that a "peace" offensive is an "offensive in political warfare, and political warfare is warfare fought with the weapons journalists and publishers are trained to use — the weapons of ideas and words."

He added that "it can be met and turned only by the employment—by the most skillful and most effective employment—of these same weapons."

Declaring that the "strategy of truth"—as opposed to the frauds and deceits practiced by the enemies—is peculiarly applicable to the propaganda attack observers now foresee, Mr. MacLeish further stated:

> To prepare themselves against a "peace" offensive, the American people need to know what a Nazi peace offensive is. They need to know for what purpose a Nazi peace offensive is made and with what end in view—that the end is never peace but always conquest — and that the inevitable consequence to the Nazi victims is defeat.
>
> If the American people are informed in full of these purposes and these effects their defense will be assured. They will know how to deal with those who urge the talk of "peace" upon them: and so whether it is proposed to them in terms of a negotiated "peace or in terms of a negotiated "victory," or in any other terms. For they will know then that the one peace possible to those who fight this war for freedom is the peace that free men make—and that the one victory conceivable to those who want their victory to serve the cause of freedom is the victory their courage and endurance win.

Senate Defers Action On Labor Legislation

Senate consideration of restrictive labor legislation, scheduled to be taken up on April 20, was deferred until after President Roosevelt next week submits his program to Congress to combat inflation. Senator Connally (D., Tex), whose bill to seize strike-bound war plants and freeze the labor relations in them had preferred status on the Senate calendar, acceded to a personal request from the President not to press his motion for consideration. The Senator explained, following a meeting with the President and his Congressional leaders on April 20, that Mr. Roosevelt had authorized him to say that he expects to send a message to Congress early next week "relating to the establishment of a general national policy regarding the cost of living and all factors relating thereto, including labor." Mr. Connally added that, since the request was made in the presence of the Vice-President, the Speaker of the House and the Majority Leader of the House, it was not only "personal, but official," and he felt under "imperative compulsion" to accede.

Previous postponement of labor legislation by the Senate was referred to in these columns of April 9, page 1442.

THE FINANCIAL SITUATION

(Continued From First Page)

ing place in this country, as a single incident, although a significant one, in a long course of broadly similar events. Indeed the evangelical Mr. Willkie is by no means willing to confine his efforts to national politics or national figures. It can no longer be doubted that he fully intends to bring to bear all the influence he can exert to the end that Republican candidates or nominees for local posts, notably the Governorship of the State of New York, not only be ardent supporters of our war effort (which he is said to take for granted) but likewise outspoken and ardent advocates of Mr. Willkie's type of post-war internationalism—whatever that is—he has been none too explicit in the matter. In fine, the titular leader of the Republican Party is plainly determined, if by any means at his disposal he can, to make the Republican Party at least as internationalist as regards post-war policies as is the Democratic Party. Meanwhile the ultra-internationalist President Roosevelt so completely dominates the Democratic Party and so constantly and regularly, either directly or through his various propagandists, virtually reads out of the party any individual or group which is unable to go the full way with him in questions which have to do with foreign relations, that there can be little question of the position of the Democratic organization.

Now both the President and Mr. Willkie have repeatedly and correctly asserted that to put forward our best war effort—and nothing short of our best will answer the purpose—we must all work together in the greatest possible harmony and unity. Now both must be well aware, as every one else is, that there are a great many citizens of this country who while fully aware of the necessity of winning the war and fully prepared to do all they can to win it, are now no more than they were before Pearl Harbor internationalists of the Roosevelt or Willkie school. They must know, moreover, that these groups are to be found in both major political parties. Whether they are in the majority or the minority, taking the country as a whole, there is no way of knowing. Nor is there any way to know how the people will divide on such an issue when the war is finally brought to an end. What is certain is that this country at heart is not by any means overwhelmingly internationalist in the sense in which this term is currently employed.

Win the War!

This country is, however, very much war-minded. It is without a shadow of doubt insistent that this war be won and won as expeditiously as may be. It is, we believe, far from satisfied with the way the war is being conducted—not so much perhaps, possibly not all, as to military operations as such, but as to the way in which what may be termed the economic and industrial aspects of the struggle are being managed. At any rate, the attention of the people is focused upon the war itself and the winning of it. In its determination that it shall be won and in its demand that any and all impediments to winning it be promptly swept aside, there is virtually complete unanimity—the "unity" which virtually all leaders have been demanding and for which a great many have been praying. It seems to us that it would be a blunder of the first order of magnitude to inject into this situation an issue which is highly controversial and surcharged with emotion. It scarcely seems to us possible that the injection of it could fail to impede the hard, grim business of winning the war by a completely united effort. Were we to venture into the realm of political strategy, we should also expect to find the injection of it to prove a political error as well, but, however that may be, we are certain that it will not help win the war.

But there is rather more involved in the current situation than the mere injection of an essentially extraneous and highly controversial issue into the approaching political campaigns. In circumstances such as those now existing the manner in which issues of this sort are injected is fully as significant as the fact that they are raised. Those who would commit us now to some undefined post-war course of what is now termed internationalism could scarcely be less statesmanlike in the presentation of their case. In this day of "smear" propaganda and political pleading this manner of supporting even this cause may not be particularly surprising, but it is to be regretted nonetheless. Even at this early date, long before the autumn campaigns really have gotten under way, there has been what appears to be a studied effort by the Washington propaganda machine—yes, and even the President and in one degree or another Mr. Willkie—to brand all dissidents with opprobrious terms —"fifth columnists," "sixth columnists," "dupes," "Cliveden Sets," "unwitting abettors of the Axis," and many more. If there has been no intent to accuse all whom the "internationalists" consider "isolationists" of being war "slackers," or some 1942 equivalent, gross carelessness in the use of propaganda and of phrase by master phrase-makers has certainly left the impression in many minds that there was. There has been no effort to distinguish between those who dissent from proposed post-war policies and those, if any, who are luke warm supporters of the war effort or actual obstructionists. A distinct disposition is often in evidence to insinuate that pre-Pearl Harbor non-interventionists are *ipso facto* suspect.

The Campaigning to Come

Now this is most certainly and most obviously not the way to promote unity and cooperative war effort. Nor is much imagination required to envisage what the forthcoming campaigns are to be like if cast in this mold as so many of our leaders appear determined they shall be. It would be difficult to say how much of an impression, and what sort of impression, this sort of thing is making on the rank and file. In other circumstances when peace and reasonably good feeling existed in the first place we should rather expect the American people to prove themselves too intelligent and too much under the influence of common sense, to permit this confusion of issues to be profitable to the politicians or to arouse too much animosity in their own ranks. These, however, are emotional times, hatreds abound on all sides, and we know from the experience of recent years how men like the President and those about him—to say nothing of Mr. Willkie—can play on men's passions. It may be, as a former Republican National Chairman says, that "there is a pressing need to convince our people that a man or even a party could have honestly stood against our participation in the war prior to Dec. 7, 1941, and yet since that date be eagerly and keenly desirous of rendering every assistance to the successful conduct and conclusion of the war." We should certainly hope that there is no such urgent need, but there may well be, and if there is, the coming campaigns, assuming they are conducted by the so-called internationalists as is now indicated, will certainly not be conducive to harmony or help the war effort.

If the campaigns are permitted to degenerate into such bitter and senseless contests, many issues which have a very direct and vital bearing upon winning the war will, moreover, almost unavoidably be sidetracked, or become so entangled with extraneous issues that the people will be foiled in any attempt to get first things done first. There are, we believe, quite a number of matters about which the people ought to give clear mandates this autumn, and we are much inclined to think they will if they do not become confused with irrelevancies. For one thing they will, we believe, want to tell the Administration plainly to have done for the duration with this eternal coddling of labor, pampering the farmer, and brow beating business. It likewise wishes an end at least during the war to not only many of the alphabetical agencies, such as the CCC, NYA, but likewise the *fol-de-rol* in which these multitudinous organizations have been engaged during the past eight or nine years. It, we are sure, senses the sham in the repeated assertions that these agencies are engaged in essential war work. It understands, we should suppose, the breadth of the term "essential war work" when employed by groups which condoned if they did not actively approve all the "coordinators" of the OCD when Mrs. Roosevelt and Mayor LaGuardia were in the saddle. It must realize that whatever war work these groups are doing could be done much more efficiently by organizations designed for and accustomed to getting things done rather than spending money or boondoggling.

More Work Ahead

It has already succeeded in obliging the Administration to effect wholesome changes in the operations of the OCD, to centralize management of war production in the hands of an experienced business man, and to effect other greatly needed changes in Governmental machinery and management, but there is a great deal yet to be done. Of the remaining tasks, the general public is doubtless aware of some, but of others it needs to be told. There is the waste and extravagance, inexcusable callousness about the peoples money in the war effort and outside it, from which the attention of the people is from time to time diverted by bland assertions that the country could "stand" this or that astronomical amount of debt, or by childish reiteration of the obvious but pointless truth that it is cheaper to win the war at any price than to lose it. Of course, the people want the war won. Of course, they are willing to pay whatever is necessary to win it, but there is no reason or excuse for loading expenses upon them which are in no sense essential to winning the war, which in point of fact may well make the winning much more difficult. The fact that at best the war will cost us undreamed of billions is all the more reason to be as economical in all expenditures as circumstances permit, and to avoid altogether those which are not essential. The oft-repeated assertion that it makes little difference whether we come out of all this with a debt of two hundred or two hundred and five, ten or twenty-five billions of dollars, comes very close to being a tacit admission that we shall go bankrupt in any event. We think the public is beginning to understand at least something of this situation, and it should have an opportunity to consider the situation calmly during the coming campaigns and to register its considered conclusions on election day.

Then there is this eternal itch to manage, to control, to regulate, to run everything from Washington. It appears to be supposed by many that the more regulation we have, the more everything and everybody is obliged to await word from Washington before doing anything, the better we are getting along with this war. This type of doctrine has been so assiduously preached for so long that it is to be feared that the rank and file have almost come to take its essential truth for granted. Yet precisely the opposite is true. Of course, a very considerable amount of control and regulation of many things is essential to such a war effort as we have set out upon, but there are likewise many things that had best be left to manage themselves. We suspect we are already suffering from over-regulation. Certainly any such total regimentation of the country and everybody and everything in it as is now under discussion in Washington would be a most serious burden for the war effort to be obliged to carry. It is all very well to set down on paper grandiose schemes for "total war"; it is quite another to make such schemes work in actual practice. Here is a subject which should be thoroughly threshed out during the autumn campaigns.

Other Issues

There are many others. There is the thoroughly foul campaign to make what at worst are violations of the anti-trust laws appear to be subversive activity on the part of American patriots. At times it is made to appear that the managers of our large corporations are under obligation to guess who is to be our next enemy and when—and in addition to devise some way of knowing what will later be adjudged good for this country and any allies which we may meanwhile acquire. Then there is the related question of the bearing of our anti-trust laws upon activities that American corporations are now asked, not to say ordered, to engage in. A good many of them without question would under ordinary circumstances collide with these laws. All the assurance that business men have been able to obtain that they will not at some later date be hailed into court as a result of much of the cooperation now demanded is the promise—if it is a promise—of officials now holding office in Washington. There is need for legislation to provide the protection that is allegedly given, but which is not worth a great deal as experience shows.

These and similar problems and questions are those which should be the warp and woof of the political debates this summer and autumn. They are not likely to be if effort is to be made by the Administration and the leaders of the Republican Party, or either of them, to have adherence to some nebulous policy of internationalism for the post-war years a *sine qua non* of holding public office.

Nelson Cites Responsibilities Of Editors; Sees Daylight Ahead In Nation's War Effort

In telling the American Society of Newspaper Editors that "we have not yet won our battle of production," Donald M. Nelson, Chairman of the War Production Board, added however that "I honestly believe that we have passed the turning point. During the next year or so, he said, "we are going to work harder and sweat harder than ever before in our lives. But we can see ourselves working toward victory."

Mr. Nelson, who spoke at the Society's annual banquet, at the Waldorf-Astoria Hotel in New York on April 17 told the gathering that "we are beginning to get in America today one of the most encouraging things any American could hope to see—a genuine, whole-hearted spirit of cooperation between big business, little business, labor and Government." "And it is coming," he said, "at a time when we can see daylight ahead in our whole war production effort. We are over the hump on war production." "Today," he continued "the combined production of America, Russia and England undoubtedly is greater than the combined Axis production."

Pointing out that newspaper editors "have today the greatest responsibility that has ever been put upon you," Mr. Nelson said:

> The people of America are depending on you to give them a clear picture of their situation. They are depending on you to be fair—to put the good of the whole country ahead of any personal or partisan interest. They are depending on you to give them the facts—**all** of the facts, within the limits imposed by military necessity, and not just selected facts arranged to prove a case.

* * *

What does all of this mean, in concrete terms?

It certainly does **not** mean that the press must abstain from criticism, or that it must not present any unpleasant facts. It is of course precisely in a critical hour like this one that the right to criticise, and the right to point to unpleasant facts, are of the highest importance to all of us. Yet in all humility I would like to suggest that the **exercise** of those rights today must be governed as never before by the clearest intelligence, the keenest devotion to the public good, the most careful weighing of the effect of the printed word.

* * *

If his consciousness of his responsibility now and then leads an editor not to print something which otherwise he might print, I believe it should in many more cases lead him to redouble his effort to give his readers the most complete picture possible of what is going on around them. It may, in other words, lead him to print more, not less, so that his readers can have all of the facts upon which to base their decisions.

Take the recent furore over the 40-hour week as an example.

There is certainly room for two opinions as to the merits of the 40-hour week. My own opinion happens to be that it would be a grave mistake at this time, when our whole wage structure is keyed to the practice of paying time and one-half for all work in excess of 40 hours, to abolish that law. But in the recent argument about this matter, the amazing fact developed that large numbers of Americans believed that the 40-hour week law was a law which prevented American workers from working more than 40 hours a week under any circumstances. The people who believed that were very naturally indignant: and their indignation naturally took the form of demanding that the law be abolished without the slightest delay, so that we could get into full-time war production.

Speaking as a layman, an ordinary newspaper reader—one of your customers, if you please—it seems to me that part of this difficulty may have been due to the fact that some papers fought this issue out on a partisan basis rather than by presenting all of the facts on both sides and giving the public the chance to decide. The public anger that was generated created a difficult situation and most assuredly did our war effort no good wahtever. I think the press could have prevented that situation from becoming serious by the simple process of making certain that everyone understood precisely what the 40-hour law really is.

Voluntary Censorship Called Up To Editors

Byron Price, Director of Censorship, told newspaper editors on April 16 that once more freedom of the press is on trial and warned that the continuance of the present system of voluntary censorship depends on the publishers and editors who control the policies of individual publications.

In a talk before the annual convention of the American Society of Newspaper Editors, at New York City, Mr. Price said that the present voluntary consership is in effect largely because President Roosevelt "has put his confidence in your patriotism and your understanding and has turned his back on those who argue that only compulsory censorship can be effective."

"It will be an unhappy day for all of us," he added, "if it is found that that confidence was misplaced. I personally do not believe that such a day will come. Whether it does is up to you."

Mr. Price also said that there was no contest on censorship "between the Government and the editor" since both "are on the same team."

Finance Cuba Nickel Plant

The War Production Board announced on April 15 that the United States will finance a $20,000,000 project in Cuba for production of critically needed nickel. According to the Associated Press, the Nicaro Nickel Co., with funds supplied by the Reconstruction Finance Corporation, will build and operate the plant for the United States Government, processing low-grade ores underlying a large plateau area of northeastern Cuba, WPB said.

U. S. Chamber Of Commerce Proposes Retail Sales Tax, 5% Gross Income Levy

A tax program designed to yield more than $11,000,000,000, mainly through a graduated retail sales tax and a 5% levy on gross incomes, was recommended to the House Ways and Means Committee on April 14 by the United States Chamber of Commerce through the Chairman of its Federal Finance Committee, Ellsworth C. Alvord. Also recommended by the Chamber were revised taxes on excess profits reaching as high as 100% during the war period, "but only after every effort has been made to define true-normal profits."

The Chamber's recommendations, which, according to Mr. Alvord, conform to the general principles advocated by Secretary of the Treasury Morgenthau more than do the Secretary's own program, are:

1. A 100% top rate of tax upon excess profits but only after every effort has been made to define true normal profits.
2. A corporate normal tax of 25% and a war tax of 10%, with appropriate adjustments for corporations having net incomes of less than $25,000.
3. Increased individual normal and surtaxes to produce at current income levels an additional $1,000,000,000.
4. A retail sales tax, without exemptions (except for direct governmental purchases) at an effective rate approaching 10%, with appropriate graduations for necessities and luxuries.
5. Corresponding excise taxes upon services, etc., which are not subjected to the retail sales tax.
6. A 5% withholding tax, collected at the source, on payments of compensation, dividends and interest to individuals.
7. The allowance of a deduction (limited to 20% of net income) to both individuals and corporations, for the amount invested by individuals or corporations in non-negotiable Government bonds, but negotiable and bearing 2% interest immediately upon the cessation of hostilities, payable in five annual instalments beginning immediately after the war, and taxable, when paid, at capital gain rates, but not to exceed 15%.
8. Retention of the provisions applicable to capital gains and losses in substantially their present form.
9. Essential improvements in the so-called technical provisions of the present law.
10. The formulation of new Federal security issues designed to attract maximum additional borrowings from individuals, corporations and savings institutions.
11. The elimination of all non-essential Government activities.
12. The reduction, to the bone, of all essential non-war activities.

Mr. Alvord particularly stressed the need to devise now a tax program, especially in regard to individual and corporate income taxes, to last for the duration of the war.

With the adoption of the recommendations he presented, Mr. Alvord estimated the Treasury's receipts during each year of the war (assuming current income levels) should aggregate more than $30,000,000,000.

"The Treasury proposal to levy another $3,200,000,000 on existing individual taxpayers," said Mr. Alvord, "is unsound, unjust and unnecessary." He added:

> It will be collected from savings, not from consumption expenditures, and principally from the savings of the middle income group with earnings of $3,000 to $20,000. It will paralyze private investment, which is dependent upon the group able to save a part of its income. It will confiscate small savings bank accounts, life insurance policies, funds accumulated for education or for old age. But it will have no effect in controlling inflation.

Roy S. Osgood, Vice-President of the First National Bank of Chicago and a member of the Chamber's Federal Finance Committee, was also heard by the House Committee on April 14. His remarks concerned what was termed the "crushing effects" of the estate and gift tax increases which the Treasury has proposed. He said enactment of the Treasury rates would make estate taxes in this country greater than those in Britain and Canada.

"Few estates have large amounts of liquid assets," Mr. Osgood said. "Therefore it becomes necessary to sell a considerable portion of the estate's assets at death. Such sales have a dislocating effect at a time when every effort is being made to preserve stability. This is especially true when the estate consists primarily of a productive business.

"A heavy tax may compel the sale of sufficient capital stock some cases the sale of the stock to cause loss of control and impairment of both the incentive and valuable management policies that enable the business to produce the things that are now vital to existence," he said. "In is impossible and actual liquidation of the business is necessary, resulting in a complete loss of productive capacity."

Mr. Osgood also stated:

> The injurious effects upon industry of excessive estate taxes are unfortunately not confined to the particular company involved in the estate. All who are engaged in such enterprises are directly affected. The resulting demoralization impairs the productive capacity of the Nation.
>
> Productive capacity means not only the production of war goods and services but the production of a flow of income that can be annually taxed. An extreme estate tax—essentially a capital levy—has no place in an emergency fiscal policy.

Assumes Freighter Tonnage

The War Shipping Administration has requisitioned for use by the Government all essential ocean-going tankers and dry-cargo vessels owned by American citizens, it was announced on April 18 by Admiral Emory S. Land, head of the WSA. The action, affecting "several hundred vessels," which have not been previously acquired by the Government, was taken under the Merchant Marine Act of 1936, which states:

> Whenever the President shall proclaim that the security of the national defense makes it advisable or during any national emergency declared by proclamation of the President, it shall be lawful for the (Maritime) Commission to requisition or purchase any vessel or other water craft owned by citizens of the United States, or under construction within the United States.

Change In Officers

U. C. LeGost, Assistant Secretary of the New York State Savings Banks Association, has resigned his position effective April 20, to join Edwin Bird Wilson, Inc., New York advertising counsel. Walter R. Williams, Assistant Secretary of the Franklin Savings Bank, has been appointed to take the position of Executive Secretary on May 1.

Hearings On Tax Proposals Concluded; Administration Restrictions On Limit Foreseen

Hearings were concluded on April 17 by the House Ways and Means Committee on taxation proposals submitted in furtherance of the Administration's program for the raising of additional revenue to finance the war. The hearings were opened on March 3 with the presentation to the Committee of the recommendations of Secretary of the Treasury Morgenthau, which were given in detail in our issue of March 5, page 952, and various items have since appeared bearing on the views laid before the Committee. On page 1541 in our April 16 issue extended reference was made to the more recent hearings. As was stated herein on March 5 Mr. Morgenthau, in laying the program before the Committee, summed up his proposals (except for Social Security) this way:

From increased individual income taxes	$3,200,000,000
From increased corporation taxes	3,060,000,000
From increased estate, gift taxes	330,000,000
New and increased excise taxes	1,340,000,000
From plugging loopholes	680,000,000
Apparent total	$8,610,000,000
Less conflicting taxes	1,000,000,000
Net total increase	$7,610,000,000

Indications that the Administration will at this time restrict the proposed revenue raising measure to the $7,600,000,000 limit recommended by the Treasury some weeks ago, were given on April 15, following a conference held that day between President Roosevelt and Chairman Doughton of the House Ways and Means Committee. From Washington April 15 advices to the New York "Times" had the following to say:

> Mr. Doughton had sought the conference with Mr. Roosevelt because of indications emanating from the administration that the pending war revenue bill might be used as the vehicle for inflation control, through higher tax rates. He said the way was open to Congress to increase the revenue if it desired.
>
> While he would not discuss the question openly, committee members who talked with Mr. Doughton obtained the impression he had informed Mr. Roosevelt that even the $7,610,000,000 revenue goal could be attained only through some form of sales tax.
>
> Mr. Doughton did say that the question was an "open" one, indicating that a sales levy, in addition to moderate increases in individual and corporate taxes, would form probably the biggest question the committee would have to decide when it started executive sessions next week to begin writing the record revenue measure.
>
> Mr. Roosevelt as well as Secretary Morgenthau, has opposed a sales levy, but it was understood from reliable sources that both regard such a tax as probable, even though they do not intend to cease opposing it.

On the previous day (April 14) the Administration was reported to be opposed to seeking new drastic tax increases to forestall inflation. The Associated Press on that date in its account from Washington stated:

> Secretary of the Treasury Henry Morgenthau, Jr., was represented by his aids as believing the present $7,600,000,000 tax program was sufficient, that voluntary purchases of war bonds could be stepped up to $11,000,000,000 a year thus absorbing excess purchasing power, and that consumer merchandise should be rationed.
>
> He was understood to be opposed to most of the plans fathered by a group led by Price Administrator Leon Henderson and Marriner S. Eccles, Chairman of the Federal Reserve Board, who reportedly favor not only a much stiffer tax program but a simultaneous assault on all important inflationary factors as well. This would mean freezing of nearly all wages and prices, compulsory war bond purchases, profit limitations, and general retail credit controls.

The question of increasing the revenue measure was raised by Leon Henderson, Federal Price Administrator on April 8 according to Washington advices appearing in the "Times" on that date, stating that he had discussed it with Secretary Morgenthau and Marriner S. Eccles, Chairman of the Federal Reserve System Board of Governors.

Under the date indicated (April 8) the "Times" said in part:

> Mr. Henderson had luncheon with President Roosevelt today. When he emerged from the White House, he said that the general price level "is of a highly explosive character but has not been touched off."
>
> He did not reveal what action he and the President had discussed, but it was understood that taxes had not been taken up with the Chief Executive since no definite conclusions have been reached in the conferences with the Treasury and the Federal Reserve Board.
>
> In Mr. Henderson's opinion, the tax measure now pending in Congress will absorb only about one half of the "inflationary gap," and the remaining excess purchasing power is too large to be handled effectively by mere price controls.
>
> Taxes, he feels, form the keystone of the anti-inflation arch.

On April 13 Secretary Morgenthau advised the Committee that he advocated a continuation of the voluntary savings program, reiterating to the Committee a previous statement that he wanted to try out the voluntary system at least until July 1. With this was coupled a statement by Mr. Morgenthau that the Treasury plans to "ring every door bell in the country once a month" in an effort to increase the voluntary purchase of war savings bonds. The Associated Press, from which we quote, also stated:

> Earlier Mr. Morgenthau had introduced to the committee witnesses representing the General Motors Corp. and labor who told of the company's voluntary pay roll deduction plan. The Secretary said that General Motors had "done a very fine job" and he hoped that 50,000,000 workers could be reached through such a program.
>
> He expressed the belief that enthusiasm could be "instilled only by the volunteer" method and said he believed when each employer decided "this is to be done, it will go a long way" toward winning the war.
>
> Walter Reuther, an officer of the United Automobile Workers, CIO, told the committee "We believe that the voluntary method is the real way to mobilize the workers," and said, "we are trying to get our people" to divert 20% of their income to war bond purchases.

On April 16 Randolph Paul, Tax Adviser to the Secretary of the Treasury urged before the Committee the elimination of the present 27½% depletion allowance for oil wells and mines, as to which he said:

> In statements before your committee on March 3, 1942, the Treasury recommended the elimination of (1) percentage depletion and (2) the privilege available to the oil and gas and mining industries of expensing development costs. Several witnesses have appeared before your committee in opposition to these recommendations. I should like now to present evidence supporting the Treasury's position and to refute the arguments made by the representatives of these industries in favor of existing provisions of the statute.
>
> The Treasury believes that the favored treatment to a particular industrial group involved in percentage depletion should not be retained in an all-out war tax program. Percentage depletion does not appreciably stimulate exploration and discovery. It is not essential to the maintenance of the output of stripper wells. Its elimination will in no way endanger the supply of raw materials needed for the war effort. The continuance of the special privilege involved in percentage depletion would allow the oil and mineral industries to escape their fair share of the tax burden at a time when millions of small taxpayers are being asked to save and sacrifice for the winning of the war. The continuance of the provision at such a time cannot but adversely affect the morale of the American taxpayer.
>
> It is estimated that at 1942 business levels and proposed 1942 tax rates the elimination of percentage depletion and the substitution of cost depletion will increase the revenue by $117 million. Approximately 75% of this total is accounted for by oil and gas properties, the rest by sulphur, metal, and coal mines.

Mr. Paul concluded his extended statement by saying:

> The Treasury has made many studies of percentage depletion and related allowances in the past several years. It has given careful consideration to the objections repeatedly advanced against the elimination of these special allowances. These objections have been re-examined in the light of the special needs for the war program. It is found that the elimination of percentage depletion and the expensing of development costs will not interfere with the war effort, will yield about $206 million of much needed revenue, and will remove from the statute a long standing and inequitable privilege. Thus, it will contribute substantially to the war effort in terms of national morale.

At the same time, Mr. Paul, referring to the Treasury's proposal to tax the income of outstanding and municipal bonds, is reported as saying that he saw no moral or legal obstacle thereto.

Mr. Paul completed his testimony on April 17 in favor of reducing depletion allowances and revising the capital gains tax.

On April 14, the American Bankers Association, represented by Charles H. Mylander, Vice-President of the Huntington National Bank of Columbus, Ohio, advocated a number of technical administrative changes in the tax code, it was stated in the "Wall Street Journal", which in its Washington advices likewise said:

> He proposed that since the "stock in trade of banks is money or credit," the present requirement that banks treat their investments in bonds as capital assets be removed. He pointed out that in 1932 when Congress first placed restrictions upon deductions of losses from the sale of capital assets these restrictions were not made applicable to banks.
>
> William A. Stark, Vice-President of the Fifth Third Union Trust Co., Cincinnati, Ohio, also appearing as a representative of the ABA, declared that the Treasury plan to change the method of determining the gain or loss upon the sale of inherited property would impose "a tremendous burden upon estates and beneficiaries of estates."

On April 15, tobacco belt spokesmen, headed by Governor Broughton of North Carolina, opposed any wartime increase of Federal taxes on cigarettes and smoking tobacco. The Associated Press reported:

> He said that besides decreasing tobacco consumption higher taxes would depress the price to farmers.
>
> H. M. Robertson, general counsel of the Brown & Williamson Tobacco Co. of Louisville, told the committee he favored the Treasury proposal. He challenged Governor Broughton's statement that higher levies would decrease consumption.
>
> He also supported the proposed differential between "economy" and standard brands of cigarettes. He insisted that tobacco taxes had no effect on the farmer.
>
> "This is a consumer's tax," said Mr. Robertson. "It is not a tax on the farmer."

Representatives of the distilled spirits industry appeared before the Committee on April 14 in opposition to the Treasury's recommendation for increases in the liquor tax from $4 to $6 a gallon, the fourth advance proposed since 1934. As to this Washington advices to the New York "Herald Tribune" also said:

> As pointed out to the Committee by Munson W. Shaw, of New York, spokesman for a group of organizations, the tax on distilled spirits in 1934 was $2 a gallon. In 1938, it went to $2.25; in 1940, to $3 and in 1941, to $4.

Appearing also in opposition to the liquor tax were Harry L. Lourie, of the National Association of Alcoholic Importers; John Law, executive secretary and general counsel of the National Alcoholic Beverage Control Association, and Lawrence H. Eldredge, President of the Pennsylvania Alcoholic Beverage Study, Inc.

With respect to the concluding hearing on April 17, Washington advices to the New York "Times" said:

> As representative of the National Association of Broadcasters, Ellsworth C. Alvord of Washington submitted a brief today opposing a tax—proposed by the Allied Printing Trade Council—on radio time sales He cited that the tax was not recommended by the Treasury and declared that it was against the interests of labor generally and would seriously jeopardize the industry's war effort.
>
> S. Clay Williams, President of the R. J. Reynolds Tobacco Company, declared that an increase in the cigarette tax would cut sales and affect tobacco growers adversely.

Authority For War Materials To BEW

President Roosevelt on April 13 transferred by executive order control over imports of strategic and critical war materials from the Reconstruction Finance Corporation and subsidiaries to the Board of Economic Warfare, which is headed by Vice-President Wallace.

The effect of the order is to transfer this authority from Jesse Jones, Secretary of Commerce and head of the Government's lending agencies.

President Proclaims Nat'l Employm't Week

President Roosevelt on April 13 proclaimed the week beginning May 3 as National Employment Week and Sunday, May 3 as National Employment Sunday, urging that the "unemployed men and women over 40 may be given the opportunity to take their place in and add their efforts to the war production program of the country." The President called for the observance of the week by churches, civic groups, chambers of commerce, boards of trade, veterans' organizations, industry, labor, public-spirited citizens, the press and radio throughout the United States." "While inviting the attention of private industry to the necessity for training and employing older men and women," said the President in his proclamation, "I am also hereby calling upon all Federal agencies taking part in the training of workers in various skills to intensify their training activities for older workers in order that we may utilize our full manpower." In his proclamation the President also said:

> Annually for the past three years I have designated a National Employment Week, urging all people of the Nation to give particular attention to the employment problem of older workers, and especially of veterans of the last World War. It is fitting to remember, with respect to the latter, that these men who were in the ranks of America's military forces in 1917 and 1918 not only can serve, but are vitally needed in the ranks of industry and agriculture today. They had something to give in youth and valor then; they have something to give in experience and skill today.
>
> There is a place for these men and other workers past 40 in the gigantic war production program in which we are engaged. There is a place for them in jobs for which they are already fitted, and there is a place for them in job-training courses designed to build up the skills of the Nation's manpower. While employment in many industries not essential to the prosecution of the war will be diminished, it is also true that as the war program accelerates, many Americans not now regularly employed will be called upon to take an active part in production vital to the war effort. Yet it is not on a basis of patriotism alone that employers are urged to open their doors to older workers, but on the basis of sound business sense as well, for it should not be forgotten that these older workers have qualifications that younger persons lack. Work experience, stability, and responsiblity are assets we cannot afford to waste in this crisis.
>
> The U. S. Employment Service with its far-flung network of full-time and part-time public employment offices has always made special efforts in behalf of workers past 40 years of ago. It is making them today. But it can be successful in placing men and women of middle years only to the extent that all employers cooperate, those in war industries, those in the manufacture or exchange of civilian goods, those in food production.

Gen. Hugh Johnson Dies

Brig. Gen. Hugh S. Johnson, organizer of the NRA and newspaper columnist, died of pneumonia on April 15 at his Washington hotel. He was 59 years old.

President Creates Man-Power Commission For Most Effective Mobilizing And Use Of Labor

President Roosevelt on April 18 established a War Manpower Commission, headed by Federal Security Administrator Paul V. McNutt, for the purpose of assuring the most effective mobilization and maximum utilization of the Nation's manpower in the prosecution of the war. The Commission is also to consist of a representative of each of the Departments of War, Navy, Agriculture and Labor, the War Production Board, the Labor Production Division of the WPB, the Selective Service System and the United States Civil Service Commission.

Mr. McNutt, under the executive order, will formulate plans and programs and establish basic national policies to provide for the mobilization and utilization of the national man power; estimate the requirements of man power for industry; review all other estimates of needs for military, agricultural and civilian man power; coordinate the collection and compilation of labor market data, regulate recruitment, vocational training and placement of workers in industry and agriculture, and formulate and recommend legislation governing civilian man power.

A White House statement explained that Mr. McNutt, as Federal Security Administrator, had been performing "many of the functions which he will continue to perform as Chairman of the Man-Power Commission. The new position will, however, give him the additional power to furnish the over-all direction of the entire program."

Mr. McNutt receives power to issue directives, regulations and standards to various agencies, among them being the Selective Service System "with respect to the use and classification of the man power needed for critical industrial, agricultural and governmental employment."

The White House announced at the same time the reorganization of the WPB Labor Division into a Labor Production Division, transferring its labor supply functions to the Man-Power Commission. Sidney Hillman, head of the Labor Division, is made a "special assistant to the President on labor matters," a position similar to that held by Harry Hopkins on Lend-Lease and Munitions Allocations.

The text of the President's executive order setting up the Man-Power Commission follows:

> By virtue of the authority vested in me by the Constitution and the statues, including the first war powers act, 1941, as President of the United States and Commander in Chief of the Army and Navy, and for the purpose of assuring the most effective mobilization and utilization of the national man power, it is hereby ordered:
>
> 1. There is established within the Office for Emergency Management of the executive office of the President a War Man-Power Commission, hereinafter referred to as the Commission. The Commission shall consist of the Federal Security Administrator as Chairman, and a representative of each of the following departments and agencies: The Department of War, the Department of the Navy, the Department of Agriculture, the Department of Labor, the War Production Board, the labor production division of the War Production Board, the Selective Service System and the United States Civil Service Commission.
>
> 2. The Chairman, after consultation with the members of the Commission, shall:
>
> *a.* Formulate plans and programs and establish basic national policies to assure the most effective mobilization and maximum utilization of the nation's man power in the prosecution of the war; and issue such policy and operating directives as may be necessary thereto.
>
> *b.* Estimate the requirements of man power for industry; review all other estimates of needs for military, agricultural and civilian man-power; and direct the several departments and agencies of the government as to the proper allocation of available man power.
>
> *c.* Determine basic policies for, and take such other steps as are necessary to co-ordinate, the collection and compilation of labor market data by Federal departments and agencies.
>
> *d.* Establish policies and prescribe regulations governing all Federal programs relating to the recruitment, vocational training, and placement of workers to meet the needs of industry and agriculture.
>
> *e.* Prescribe basic policies governing the filling of the Federal government's requirements for man power, excluding those of the military and naval forces, and issue such operating directives as may be necessary thereto.
>
> *f.* Formulate legislative programs designed to facilitate the most effective mobilization and utilization of the man power of the country; and, with the approval of the President, recommend such legislation as may be necessary for this purpose.
>
> 3. The following agencies shall conform to such policies, directives, regulations and standards as the Chairman may prescribe in the execution of the powers vested in him by this order, and shall be subject to such other co-ordination by the Chairman as may be necessary to enable the Chairman to discharge the responsibilities placed upon him:
>
> *a.* The Selective Service System with respect to the use and classification of man power needed for critical industrial, agricultural and government employment.
>
> *b.* The Federal Security Agency with respect to employment service and defense-training functions.
>
> *c.* The Work Projects Administration with respect to placement and training functions.
>
> *d.* The United States Civil Service Commission with respect to functions relating to the filling of positions in the government service.
>
> *e.* The Railroad Retirement Board with respect to employment service activties.
>
> *f.* The bureau of labor statistics of the Department of Labor.
>
> *g.* The labor production division of the War Production Board.
>
> *h.* The Civilian Conservation Corps.
>
> *i.* The Department of Agriculture with respect to farm labor statistics, farm labor camp programs, and other labor market activties.
>
> *j.* The office of defense transportation with respect to labor supply and requirement activities.
>
> Similarly, all other Federal departments and agencies which perform functions relating to the recruitment or utilization of man power shall, in discharging such functions, conform to such policies, directives, regulations, and standards as the Chairman may prescribe in the execution of the powers vested in him by this order; and shall be subject to such other coordination by the Chairman as may be necessary to enable the Chairman to discharge the responsibilities placed upon him.
>
> 4. The following agencies and functions are transferred to the War Man Power Commission:
>
> *a.* The labor-supply functions of the labor division of the War Production Board.
>
> *b.* The national roster of scientific and specialized personnel of the United States Civil Service Commission and its functions.
>
> *c.* The office of procurement and assignment in the office of defense health and welfare services in the Office for Emergency Management and its functions.
>
> 5. The following agencies and functions are transferred to the office of the Administrator of the Federal Security Agency and shall be administered under the direction and supervision of such officer or employee as the Federal Security Administrator shall designate:
>
> *a.* The apprenticeship section of the division of labor standards of the Department of Labor and its functions.
>
> *b.* The training functions of the labor division of the War Production Board.
>
> 6. The national roster of scientific and specialized personnel transferred to the War Man Power Commission and the aprenticeship section transferred to the Federal Security Agency shall be preserved as organizational entities within the War Man Power Commission and the Federal Security Agency respectively.
>
> 7. The functions of the head of any department or agency relating to the administration of any agency or function transferred from his department or agency by this order are transferred to, and shall be exercised by, the head of the department or agency to which such transferred agency or function is transferred by this order.
>
> 8. All records and property (including office equipment) of the several agencies and all records and property used primarily in the administration of any functions transferred or consolidated by this order, and all personnel used in the administration of such agencies and functions (including officers whose chief duties relate to such administration) are transferred to the respective agencies concerned, for use in the administration of the agencies and functions transferred or consolidated by this order; provided, that any personnel transferred to any agency by this order, found by the head of such agency to be in excess of the personnel necessary for the administration of the functions transferred to his agency, shall be re-transferred under existing procedure to other positions in the government service or separated from the service. So much of the unexpended balances of appropriations, allocations, or other funds available for the use of any agency in the exercise of any function transferred or consolidated by this order or for the use of the head of any agency in the exercise of any function so transferred or consolidated, as the director of the Bureau of the Budget with the approval of the President shall determine, shall be transferred to the agency concerned, for use in connection with the exercise of functions so transferred or consolidated. In determining the amount to be transferred, the Director of the Bureau of the Budget may include an amount to provide for the liquidation of obligations incurred against such appropriations, allocations, or other funds prior to the transfer or consolidation.
>
> 9. Within the limits of such funds as may be made available for that purpose, the Chairman may appoint such personnel and make provision for such supplies, facilities and services as may be necessary to carry out the provision of this order. The Chairman may appoint an executive officer of the Commission and may exercise and perform the powers, authorities and duties set forth in this order through such officials or agents and in such manner as he may determine.
>
> FRANKLIN D. ROOSEVELT,
> The White House,
> April 18, 1942.

Dispute Treasury Views On Capital Gains Tax; Proposed Impost Called Unjustifiable

In a joint statement issued April 15, Emil Schram, President of the New York Stock Exchange, Elisha M. Friedman, consulting economist, and Robert B. Dresser, member of the executive committee of the American Taxpayers' Association, Inc., dispute the views recently expressed by Randolph Paul, tax adviser of the Secretary of the Treasury, with respect to the Boland bill, taxing all capital gains without distinction as to the holding period at a flat rate of 10%.

Mr. Paul's testimony, giving the Treasury Department's views on the treatment of capital gains and losses, was made before the House Ways and Means Committee on March 30 and was referred to in these columns April 2, page 1344. In their joint statement, Messrs. Schram, Friedman and Dresser state that in opposing the Boland bill and in advocating the proposals previously made by the Treasury Department, Mr. Paul argues in substance as follows:

> 1. Capital gains are income and should be taxed as such, short-term gains (which are those received within the holding period of 18 months) as ordinary income, and long-term gains on a more favorable basis; capital losses should be allowed as deductions only from capital gains; and since other income is to be taxed at rates up to 90%, a 10% rate on capital gains cannot be justified.
>
> 2. The capital gains tax does not have the harmful economic effects claimed by the proponents of the Boland bill.
>
> 3. The enactment of the Boland bill, taxing all capital gains without distinction as to the holding period at a flat rate of 10%, would result in a loss in revenue and would facilitate tax avoidance.

Following a discussion of the above points, the joint statement submits in conclusion and by way of summary, that:

> 1. The taxation of capital gains is unsound, since capital gains are in reality capital; and as soon as the present emergency is over the tax on capital gains should be completely repealed.
>
> 2. Equity and justice require that the taxation of capital gains as income should be accompanied by the correlative right to deduct capital losses from income. However, in the light of past experience it is not unreasonable to expect that in the future capital losses will exceed capital gains and that the resulting revenue would be a minus quantity.
>
> 3. The economic effects of the capital gains tax are decidedly harmful.
>
> 4. The Boland bill would produce substantial revenue. This revenue would be much higher than that produced under the present law, or under the Treasury proposals. Since the purpose of the tax on capital gains is to raise revenue, the terms of the Boland bill should be adopted. If they do not accomplish the anticipated results the law can readily be changed. There is not much to lose in trying the experiment, since the present law produced but $12,000,000 from capital gains in 1940, and, it may be, even less in 1941, to say nothing of the disproportionately high cost of collection due to the large amount of litigation regarding the capital gains tax.

A detailed analysis of the subject prepared by Mr. Friedman has also been filed with the House Committee.

Mr. Schram previously expressed his views on the capital gains tax, which he characterized as defeating "its own purpose as a revenue-raising measure" in his appearance before the House Ways and Means Committee on March 20; incidentally he had something to say at the same time regarding the Boland bill, and his views at that time were given in our March 26 issue, page 1225.

U. S., Haiti Agree On Defense And Trade Plan

The State Department announced on April 13 that agreements have been reached with the Republic of Haiti designed to materially strengthen the military, naval and economic position of the Caribbean country. The accords, set forth in a memorandum signed on April 6 by President Elie Lescot of Haiti and Acting Secretary of State Sumner Welles, provide for assisting Haiti in defense matters; purchasing Haiti's surplus cotton for the duration of the war; strengthening dollar exchange by an extension of credit, and a plan for greater cultivation of sisal.

The arrangements came as a result of a series of conferences between officials of the two countries on the recent visit to Washington of President Lescot (noted in our issue of April 2, page 1333).

Regarding the agreements, the Associated Press reported:

> The State Department said the Government was taking steps to install artillery for Haiti's coastal defense, provide vessels for Coast Guard and patrol purposes in Haitian waters, make military aircraft available to the Haitian Army, overhaul and repair Haitian ships to be used for coastal patrol duties and construct a marine railway at Port-au-Prince.
>
> The cotton agreement provides that the Commodity Corporation will take over at an agreed but unannounced price, the carry-over of cotton from last year's crop as well as the 1942 surplus.
>
> The United States also agrees to purchase, subject to an agreed price and within specified limitations, the 1943 cotton crop and all subsequent crops produced in Haiti for the duration of the war. Haiti agrees to restrict cotton production and improve the crops quality and staple length.
>
> The sisal agreement provides for planting of approximately 24,000 additional acres of this fiber product in Haiti.

Chains Maintain Trend

March chain store sales, according to the usual monthly survey issued on April 15 by "Chain Store Age," established a new seasonal high mark. The index for the month was 169 compared with 165 in February, and with 128 in March, 1941, all figures relating to the base period 1929-1931 taken as 100.

The index figures for March by trade groups, compare as follows:

	Mar., '42	Feb., '42	Mar., '41
Grocery	161	160	119
Variety	170	167	132
Drug	170	176	154
Shoe	225	208	163
Apparel	208	178	144

Wheat Crop Forecast Indicates Two Years Supply For Next Season

Wheat production in the United States this year is forecast by the Department of Agriculture at approximately 793,000,000 bushels. The total includes 624,983,000 bushels of winter wheat, as estimated in the regular April 1 crop report and to this the Department has added an early approximation of the spring crop. In addition, carryover of old wheat next July 1 is reckoned at 630,000,000 bushels, which means that a total supply of about 1,423,000,000 bushels will be available in the coming crop year. Inasmuch as domestic disappearance averages only about 675,000,000 bushels annually, the outlook is that available wheat supplies in the next year will amount to more than double domestic requirements. Exports in recent years have not drawn heavily on United States wheat and are estimated at only 21,000,000 bushels during the current crop year, which ends next June 30. In the preceding year, 37,000,000 were shipped abroad.

With so large a surplus in view it is not remarkable that the Agriculture Department has urged farmers not to expand production of wheat. In fact it is the only crop in the "Food for Freedom" program with a 1942 goal less than 1941 production. The wheat goal was set at 88% of last year's output and the estimated area planted to winter and spring wheat, 54,605,000 acres is just about that percent of the 62,404,000 acres seeded a year ago. Present prospects, however, do not indicate a corresponding reduction in production, at least for winter wheat. The reason is that yield per acre is estimated at 16.1 bushels per acre compared with 14.7 bushels in 1941 and an average of 11.8 bushels in the 10 years 1930-39. Consequently, the harvest is only expected to drop about 7% to 624,983,000 bushels from 671,293,000 bushels in 1941.

Farmers have been asked to hold down their wheat plantings particularly in order to devote the land to more vitally needed crops. Among such crops are those providing vegetable oils. These crops are required in larger quantities to prevent shortages which might result from decreased imports and rising demand on account of the munitions program. The goal for peanuts, for instance, has been set at 255% of 1941 production, soybeans at 154%, and flaxseed at 134%.

Aside from the necessity to utilize acreage for crops most needed for the "Food for Freedom" program, there is also the consideration of storage space. Storage was taxed to capacity in handling the 945.937,000-bushel crop and 385.000.000 bushels carryover in 1941. The problem will be much more troublesome this year with the largest carryover in history and the substantial crop in prospect. An effort is being made to relieve congested warehouses and terminals and at the same time provide feed for larger dairy herds and greater livestock and poultry production by selling government-wheat to farmers at prices comparable to those for corn. In addition wheat is being sold for the production of alcohol. Neither type of disposal, however, is expected to account immediately for any sizable decrease in the total wheat supply.

Farley Heads USO Unit

James A. Farley, former Postmaster General and Chairman of the Board of Coca-Cola Export Sales Co., has accepted the chairmanship of the National Corporations Committee of the USO War Fund Campaign, it is announced by Prescott S. Bush, National Campaign Chairman. In announcing Mr. Farley's willingness to serve, Mr. Bush said the acceptance places him in one of the key units of USO's nationwide appeal for $32,000,000, to be launched May 11 and to continue until July 4.

Two Or Three Years Of War Seen By FDR

President Roosevelt declared on April 14 that "we are going to have a couple of years, perhaps three years, before we can make sure that our type of civilization is going to survive." Speaking informally before the Governing Board of the Pan-American Union at the White House, on the occasion of Pan-American Day, the President stated that we are going places and added he was perfectly confident that in the long run "we are going to come out the winner."

With regard to his asking for names for the present conflict, Mr. Roosevelt told the Pan-American delegates that his own thought is that it should be called "The Survival War" since that is what it comes pretty close to being.

He expressed hope for continuance of hemisphere unanimity of the past and asserted that the American nations will have a "very great voice" in planning the peace. The President's remarks follow:

> Do not let us be formal. We are not having any formalities today, because whenever I make a speech it takes me one week to prepare it, and I have no spare weeks at the present time.
>
> I think it is a fine thing that again we are celebrating Pan-American Day. I hope that we are celebrating it in every republic, because I think it has more significance this year than at any previous time in the history of the hemisphere. I know that some of you have—one or two of you have—certain problems back home. And I do think that the idea is being understood more than ever before what would happen if any part of any of the hemisphere were dominated by a successful Germany.
>
> We wouldn't live the same kind of lives—that is the easiest way of putting it. Because that new—not the old German civilization—that new German civilization is so totally different from what all of us have been accustomed to since we were born. I shudder to think of what would happen to any part of the hemisphere that came under German domination.
>
> So I am looking for a word—as I said to the newspaper men a little while ago—I want a name for the war. I haven't had any very good suggestions. Most of them are too long. My own thought is that perhaps there is one word that we could use for this war, the word "survival." The Survival War. That is, it comes pretty close to being the survival of our civilization, the survival of democracy, the survival of a hemisphere—the newest hemisphere of all of them—which has developed in its own ways.
>
> On the surface these ways may be a bit different, but down at the bottom there is the same kind of civilization that has come from a love of liberty and the willingness to pioneer. So I think that survival is what our problem is, survival of what we have all lived for for a great many generations.
>
> I think in all of the republics we have, relatively speaking, quite an ancient civilization—reckoned since we have had independence, and even for a good many years before that. That is why I hope that continental hemispheric solidarity and unaimity are going to continue. At the last Pan-American Conference of the hemisphere down at Rio—while some people felt it had not gone so far as it would like to go—we did manage to retain the objective of unanimity.
>
> There may be other problems after the war that we will have to work out among ourselves, sitting around the table, but at the present time we have substantial unanimity. That is a great thorn in the flesh of Herr Hitler. He felt that the success of the Rio conference was a very serious blow to the Axis' efforts to dominate the world.
>
> And so I hope that we will go on as we have in the past. A few of you were here at the time—in the Summer of 1933, after I had been in here for a few months—we had a bit of trouble in the Republic of Cuba. I asked all of the Ambassadors and Ministers of the hemisphere to come in and sit around the table in an informal way. And I told them that I didn't want the United States to do anything without everybody knowing all about it, and that my thought was that it was a problem for Cuba to decide for herself. Cuba did, and many old-fashioned commentators in this country said it was a terrible thing to let Cuba handle the affairs of Cuba.
>
> So I hope we will continue to have the unanimity of the past. And when it comes to cleaning up the mess at the end of this war, after Axis is defeated, we will have again an Hemispheric Council around here to see what we are going to do all over the world, because we will have a very great voice in preventing, in the future, an attack on our American civilization.
>
> I haven't prepared any speech. These are just some thoughts that come to me every day—day and night.
>
> We are going places. We will get somewhere. And we are going to have a couple of years, perhaps three years, before we can make sure that our type of civilization is going to survive. I am perfectly confident of it myself. We have all got to sacrifice. But we are going to come out the winner in the long run.
>
> It is good to see you all, and I hope that next year we will be in an even better state than we are in 1942. Good luck to you.

Halts Oil Burner Output

The War Production Board on April 15 ordered that the manufacture of oil burners and coal stokers for residential use be halted on May 31. In a second order, the WPB froze all stocks of plumbing and heating equipment and all sales of such material except for retail sales of less than $5 and such sales on an A-10 or higher preference rating.

On the same day (April 15), the Office of Price Administration requested home owners using fuel oil in the Atlantic Coast and Pacific Northwest States, where curtailment of oil sales has been ordered, to consider converting their stoves back to coal, coke and wood. Dan A. West, director of the OPA consumer division, explained that as the war continues indications are that there might be need for additional curtailment of oil consumption in those States. He advised home owners to obtain coal grates now and order coal for next Fall and Winter.

The WPB order halting the output of oil burners and coal stokers also cut production for the remaining period to one-twelfth of last year's units. It is reported that manufacturers now hold inventories of about 35,000 coal stokers and 60,000 oil burners.

Wallace Declares Pan-American Ideal Can Serve as International Pattern

In a formal statement on the 52nd anniversary of the Pan-American Union, Vice-President Wallace said on April 14 that "Pan-Americanism is an ideal which transcends this hemisphere and which can serve as a pattern for an international society where people can live and work in freedom, in friendship and in peace."

Mr. Wallace added, however, that unless this ideal were upheld with "a strong unity within the Americas now in times of danger, we shall not have necessary moral and material capacity to assume the leadership for a just and charitable peace after the danger is past."

In his statement, Vice-President Wallace said:

> Fifty years of uninterrupted friendship between North and South America have created a vital tradition that is unprecedented in history. This tradition, so peculiar to the new world, has been achieved in its various stages in the setting of world events. Therefore, Pan-Americanism should always be considered as a splendid form of international cooperation within a given region, and yet a part of an all-embracing world cooperation.
>
> In view of the preceding phases of Pan-Americanism, it was inevitable that the good neighbor policy should have been instituted at a time when a general determination of social and political patterns was taking place in the world.
>
> This policy is based on two essential principles: First, recognition of the unrestricted independence of every nation; and, second, an inter-American democratic philosophy that is both national and international. These principles are the direct opposite of that fallacious notion that the greatness of any one country should be based on the limitations and weaknesses of other countries.
>
> Pan-Americanism is an ideal which transcends this hemisphere and which can serve as a pattern for an international society where people can live and work in freedom, in friendship and in peace. However, unless we uphold it to achieve a strong unity within the Americas now, in times of danger, we shall not have necessary moral and material capacity to assume the leadership for a just and charitable peace after the danger is past.

Federal Reserve On Earnings, Dividends

Corporate earnings and dividends are the subject of a study by the Board of Governors of the Federal Reserve System, published in the April issue of the Board's "Bulletin." According to the study, "expanding activity in civilian and war industries in 1941 was reflected in a substantial growth in income of all economic groups." From the "Bulletin" we quote:

> Volume of business transacted by corporations was larger than in any previous year and, according to data recently compiled by the Board, corporate net income after all costs, charges, and taxes showed a further increase. Costs of materials and wage rates were higher in 1941 than in 1940, but prices of many finished products were also higher. . . . Earnings after all costs and charges and before income taxes increased sharply over 1940, but a substantial part of the increase was absorbed by higher Federal income and excess profits taxes.
>
> Summaries of published earnings reports of large corporations tabulated by the Board indicate that manufacturing and mining profits in 1941, after all costs, charges, and taxes, were about one-fifth above 1940. Net income of railroads, which in 1940 was relatively low, increased one and one-half times in 1941. In fact, railroad income in 1941 of 500 million dollars was considerably higher than for any year in the past decade. Among public utility companies, such as electric power, telephone, and transit, net income after taxes in 1941 showed small declines.
>
> Manufacturing corporations and railroads retained substantial parts of their expanded income, as dividend payments increased less than net income. For all corporations in the United States retained net income has been estimated by the Department of Commerce at 2.6 billion dollars in 1941, which is about double the 1940 amount. The moderate size of dividend increases was generally attributed to the need for larger working capital. . . .
>
> **Dividends and Retained Earnings**
>
> While retained net income for 152 large industrial companies shown was nearly 30% larger in 1941 than in the preceding year, dividend payments increased by less than 6%. Requirements for funds to carry additional inventories and to provide other working capital have been much greater than in earlier years, especially for corporations with large war orders.
>
> In such industries as iron and steel, petroleum, and transportation equipment other than autos, the proportion of net income retained in 1941 was much greater than in such industries as foods, beverages and tobacco, industrial chemicals, non-ferrous metals, and automobiles. . . .
>
> **Profits and Income Taxes**
>
> In 1941 a substantial proportion of income after manufacturing costs and charges was set aside for the Federal Government as income and excess profits taxes. Nevertheless, the balance after taxes was substantially higher for many large companies than in 1939, the last predefense year.
>
> Profits and Federal tax reserves are shown on the chart for 245 industrial companies [this we omit.—Ed.] for which annual data on tax reserves are available for the three years 1939 to 1941 and whose 1941 incomes were subject to the tax provisions of the Revenue Act of 1941, that is, whose accounting years did not end before Dec. 31. For these companies, reserves for Federal taxes, which amounted to 17% of income before taxes in 1939 and 33% in 1940, increased to 56% in 1941. The two 1940 revenue acts increased the normal tax rate on corporate incomes, in general, from 18 to 24% and imposed an excess profits tax. In 1941 a 7% surtax was imposed, and excess profits tax rates were raised and were applied to income before rather than after deduction of the normal tax.
>
> Net income of the 245 companies after all charges and before Federal taxes showed an increase of 160% from 1939 to 1941, as compared with an increase in profits after Federal taxes of about 40%. The increase in net profits after taxes from 1939 to 1941 is somewhat smaller for this group than for the entire quarterly reporting group which includes some companies whose 1941 tax reserves were based on the 1940 rates.

Text Of Act Raising U. S. Debt Limit

The bill increasing the debt limit of the United States from $65,000,000,000 to $125,000,000,000 became a law on March 28, its approval on that date by President Roosevelt having been noted in our issue of April 9, page 1444. We are making room here for the text of the new measure, which as has already been indicated in these columns (March 12, page 1044) contains other provisions besides that which authorizes the increased debt limit. Among these provisions, as detailed by Secretary Morgenthau is one authorizing the Secretary to issue Treasury marketable securities on a discount basis, or on a combination interest-bearing and discount basis and another clarifying the authority in Section 19 of the Second Liberty Bond Act, which as originally enacted in 1934, was, it is stated, intended to permit the Treasury to buy any of its securities in the market, at or before maturity out of the proceeds of any public debt securities previously sold. The full statement of Secretary Morgenthau appeared on page 1044, and another item respecting the bill was given on page 1140 of our March 19 issue. At that time it was noted that the Senate had raised the debt limitation to $130,000,000,000, but the House conferees refused to accede to this, insisting on its $125,000,000,000 and the Senate conferees accepted the latter figure, which was finally agreed to by the Senate. The text of the measure, as enacted into law, follows:

[Public Law 510—77th Congress]
[Chapter 205—2d Session]
[H. R. 6691]

AN ACT

To increase the debt limit of the United States, to further amend the Second Liberty Bond Act, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Public Debt Act of 1942.

Sec. 2. Section 21 of the Second Liberty Bond Act, as amended, is further amended to read as follows:

"Sec. 21. The face amount of obligations issued under the authority of this Act shall not exceed in the aggregate $125,000,000,000 outstanding at any one time."

Sec. 3. Section 20 of the Second Liberty Bond Act, as amended, is further amended to read as follows:

"Sec. 20 (a) Any obligations authorized by Sections 1, 5, and 18 of this Act, may be issued on an interest-bearing basis, on a discount basis, or on a combination interest-bearing and discount basis, at such price or prices and with interest computed in such manner and payable at such time or times as the Secretary of the Treasury may prescribe; and any such obligations may be offered for sale on a competitive or other basis under such regulations and upon such terms and conditions as the Secretary of the Treasury may prescribe; and his decision with respect to any such issue shall be final.

"(b) Any obligations authorized by this Act and redeemable upon demand of the owner or holder may, under such regulations and upon such terms and conditions as the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury may prescribe, be receivable by the United States in payment of any taxes imposed by the United States.

"(c) Any obligations authorized by this Act may, under such regulations and upon such terms as the Secretary of the Treasury may prescribe, be issued in exchange for any obligations of any agency or instrumentality of the United States which are unconditionally guaranteed both as to principal and interest by the United States, at or before their maturity."

Sec. 4. Section 19 of the Second Liberty Bond Act, as amended, is further amended to read as follows:

"Sec. 19. Any obligations authorized by this Act may be issued for the purchase, redemption, or refunding, at or before maturity, of any outstanding bonds, notes, certificates of indebtedness, Treasury bills, or savings certificates of the United States, and any money received from the sale of such obligations or any other money in the general fund of the Treasury may, under such rules, regulations, terms, and conditions as the Secretary of the Treasury may prescribe, be used for such purchase, redemption, or refunding."

Sec. 5. The authority of the Postmaster General contained in Section 6 of the Act of June 25, 1910, as amended (U. S. C,. 1940 edition, title 39, sec. 756), and Section 22 (c) of the Second Liberty Bond Act, as amended, to prepare and issue postal-savings cards and postal-savings stamps shall terminate on such date as stamps issued by the Secretary of the Treasury pursuant to the authority contained in Section 22 (c) of the Second Liberty Bond Act, as amended, are made available for sale to the public; and, as soon as practicable thereafter, the Board of Trustees of the Postal Savings System shall pay to the Secretary of the Treasury a sum equal to the redemption value of all postal-savings stamps outstanding, and after such payment has been made the obligation to redeem such stamps shall cease to be a liability of the Board of Trustees of the Postal Savings System but shall constitute a public debt obligation of the United States.

Sec. 6. Section 4 of the Public Debt Act of 1941 (Public, Numbered 7, Seventy-seventh Congress, first session), is hereby amended to read as follows:

"Sec. 4. (a) Interest upon obligations, and dividends, earnings, or other income from shares, certificates, stock, or other evidences of ownership, and gain from the sale or other disposition of such obligations and evidences of ownership issued on or after the effective date of the Public Debt Act of 1942 by the United States or any agency or instrumentality thereof shall not have any exemption, as such, and loss from the sale or other disposition of such obligations or evidences of ownership shall not have any special treatment, as such, under Federal tax Acts now or hereafter enacted; except that any such obligations which the United States Maritime Commission or the Federal Housing Administration had, prior to March 1, 1941, contracted to issue at a future date, shall when issued bear such tax-exemption privileges as were, at the time of such contract, provided in the law authorizing their issuance. For the purposes of this subsection a Territory, a possession of the United States, and the District of Columbia, and any political subdivision thereof, and any agency or instrumentality of any one or more of the foregoing, shall not be considered as an agency or instrumentality of the United States.

"(b) The provisions of this section shall, with respect to such obligations and evidences of ownership, be considered as amendatory of and supplementary to the respective Acts or parts of Acts authorizing the issuance of such obligations and evidences of ownership, as amended and supplemented.

"(c) Nothing contained herein shall be construed to amend or repeal Sections 114 and 115 of the Revenue Act of 1941."

Approved, March 28, 1942.

Sit-Down Strikes On Vessels Ruled Mutiny

In a 5 to 4 decision on April 6 the United States Supreme Court ruling against sit-down strikes on vessels docked in New York ports, and declared that "a rebellion by seamen against their officers on board a vessel anywhere within the Admiralty and Maritime jurisdiction of the United States is to be punished as mutiny." The majority decision, delivered by Justice James F. Byrnes, which held that such strikes were barred by the Federal Mutiny Statute, set aside an order of the National Labor Relations Board, directing the Southern Steamship Co. of Philadelphia to reinstate seamen who went on strike on July 18, 1938, aboard the vessel, "City of Fort Worth" at Houston, Tex. In Associated Press accounts from Washington April 6, it was stated:

> The company contended that a 1909 Federal Mutiny Statute barred such a "sit-down" strike. It added that to permit seamen to "resist the commands of the master" would "jeopardize the present and future safety of our country."
>
> In reply, the Labor Board asserted that "a peaceful strike for the purpose of compelling an employer to obey the law while a vessel is in a safe position in an American port is not unlawful."
>
> The Federal Circuit Court at Philadelphia upheld the Labor Board order, which also directed the company to bargain collectively with the National Maritime Union (CIO) and to reinstate six other seamen who went on a sympathetic strike when the vessel returned to Philadelphia a week after the Houston strike.
>
> After striking for 11 hours, the men returned to work, the Board said, when a company attorney promised to meet with the union.
>
> The company contended that the employment of the ship's crew was terminated when they returned to Philadelphia by their "signing off" before the local United States Shipping Commissioner. The company said five of the strikers then were notified that they would not be rehired.
>
> The National Maritime Union contended in a brief that when a vessel "is moored to the dock, in a safe harbor and the peril of the sea ceases, the vessel becomes for all intents and purposes an industrial plant."

As to the Supreme Court's findings the Associated Press (April 6) said:

> The majority opinion overruled the Labor Board's contention that the Wagner Labor Act permitted a reinstatement order even though the men had engaged in a sit-down strike.
>
> "The Board," Justice Byrnes asserted, "has not been commissioned to effectuate the policies of the Labor Relations Act so single-mindedly that it may wholly ignore other and equally important Congressional objectives."
>
> Another provision of the Board's order, directing the company to bargain collectively with the National Maritime Union (CIO), was upheld.
>
> Justice Reed wrote the dissenting opinion, in which Justices Black, Douglas and Murphy concurred.
>
> Justice Byrnes said that Congress, in the anti-mutiny legislation, had outlawed such a strike and "if this mandate is to be changed it must be changed by Congress and not by the courts."
>
> "Ever since men have gone to sea," the majority opinion said, "the relationship of master to seaman has been entirely different from that of employer to employee on land. The lives of passengers and crew as well as the safety of ship and cargo are intrusted to the master's care. Every one and everything depend on him. He must command and the crew must obey. Authority cannot be divided."

From the Philadelphia "Inquirer" we take the following from its Washington bureau April 6:

> In the majority opinion, Justice James F. Byrnes cited the recent fire aboard the former French luxury liner Normandie at New York as "grim proof that the hazard of fire is ever present."
>
> "It is by no means clear that a ship moored to a dock is 'safe' if the crew refused to tend it, as the strikers did at Houston," Justice Byrnes wrote. "At the very least, steam must be maintained to provide light and fire protection."
>
> The decision pointed out that the Federal Mutiny Act covers happenings in "any waters within the Admiralty and Maritime jurisdiction of the United States."

Those concurring with Justice Byrnes in the majority decision were Chief Justice Stone, and Associate Justices Frankfurter, Roberts and Jackson. According to the Associated Press, in the dissenting opinion Justice Reed said that the Court had held previously that employes guilty of "criminal acts" in connection with a sit-down strike were not eligible for reinstatement under the Wagner Act. "Nothing approaching such disorder occurred here," the dissenting opinion added. "The seamen's conduct did not affect the safety of the vessel. The only evidence of violation of the statutes is that the orders to load were ignored."

A similar ruling to the present majority conclusions of the Supreme Court was handed down by it on Dec. 12, 1938, when it refused to reopen a case in which the National Labor Relations Board sought to force the reinstatement of 145 seamen who had conducted a sit-down strike on two vessels of the Peninsular & Occidental Steamship Co. At that time "Journal of Commerce" advices regarding the Supreme Court's ruling stated that the Court made no comment on the lower court decision, which overruled an order of the Labor Board directing reinstatement of CIO seamen, but merely announced that appeal of the Board from that ruling was denied. It was added that the action was believed significant, however, in that it sustained the right of the master of the vessel to decide upon competency of his crew. The court's action at that time was noted in our issue of Dec. 17, 1938, page 3694.

To Be War Bonds July 1

The Treasury Department has informed agents issuing United States Defense Savings Bonds that the name of such bonds is to be changed to War Savings Bonds. In order to conserve paper and avoid waste of stock, however, the Treasury Department is requesting that the present Defense Savings Bonds be used until existing stocks are exhausted.

Allan Sproul, President of the Federal Reserve Bank of New York in advices to banks and trust companies and other issuing agents in the Second Reserve District, stated on April 15:

> In these circumstances, it is anticipated that issuing agents will not receive supplies of War Savings Bonds in any denomination much before July 1, 1942, and we therefore request your cooperation in presenting these facts to any of your customers who may inquire in the meantime whether War Savings Bonds are obtainable.

FDR Praises USO For Vital Contribution

President Roosevelt on April 12 commended the United Service Organizations for their "great work" during the past year and expressed the hope that the "open-handed and open-hearted hospitality" extended to members of the armed forces and war industries would continue.

The President's remarks, read to the second annual meeting of USO representatives at Washington, were made in a letter to Paul V. McNutt, Federal Security Administrator, who presided in his capacity as Coordinator of Health, Welfare and Related Defense Activities.

President Roosevelt's message said:

> Will you once again extend my cordial greetings to the United Service Organizations and to the men and women who are guiding and carrying on its program.
>
> The year since the USO was organized has been one of the most crowded and, no doubt, most fateful in our national history. The needs which we then foresaw—for united action and joint service to preserve spiritual and social values—have been underscored by the events of recent months.
>
> In writing you on the occasion of last year's meeting, I stressed my conviction that this task is of the utmost importance, that it places inescapable obligations upon the individual citizen, the community and the nation as a whole.
>
> Now a year of experience lies behind us. Communities which are bearing the brunt of defense overcrowding and pressure have been learning to make the most of their local resources.
>
> Within the framework of nation-wide cooperation established by the Federal Security Agency, the USO and other organizations have been providing increasingly effective and practical recreation and welfare services.
>
> I want to take this occasion to commend not only the USO, but also the villages, towns and cities all over the country which are offering open-handed and open-hearted hospitality to members of the armed forces and war industrial workers. This is an essential contribution to our united war effort.
>
> Reports of progress during the past year leave no doubt that this great work is well in hand. I look forward to the continuing cooperation and active participation of the United Service Organizations, its member agencies and the host of individual citizens in whose behalf the USO is rendering this great service.

The USO will open a national campaign early in May to raise $32.000.000 for its continuance and expansion in 1942-43.

UAW Waive Premium Pay

Delegates of the United Automobile Workers (CIO), at a special war conference recently held in Detroit (April 7), voted unanimously to waive for the duration double and premium pay for the weekend and holiday work within the 40-hour week. This action had been recommended by the CIO Executive Board and called for by President Roosevelt. The President had assured the conference that the Government intends to renegotiate war contracts to make certain that relinquishment of double time would not operate as a windfall to any employer; this was indicated in our issue of April 9, page 1445.

The delegates, representing over 500.000 workers in automobile and airplane plants, also approved the proposal to set up labor-management committees to speed up war production.

Rent Control Conference

A national conference on rent control will be held in Chicago, April 29 and 30, under the auspices of the Institute of Real Estate Management and the National Association of Real Estate Boards. The conference is called at the request of Leon Henderson, Federal Price Administrator. The two-day meeting will be held at the Drake Hotel.

In line with the decision which Congress has made for price control, including where necessary control of rents in defense areas, a measure taken to avoid wide fluctuations and to prevent inflation, the Institute has offered its aid in seeing that rent control provisions where they are instituted are administered as effectively and as fairly as possible, Robert C. Nordblom, Boston, its president, states. Principal speakers before the conference will be Paul A. Porter, Assistant Administrator of OPA in charge of the rent division, Karl Borders, Director of OPA's rent division, Robert W. Wales, Assistant General Counsel of OPA, and Cyril R. DeMara, M.A.I., Toronto, Administrator of housing rentals for Canada.

The conference, at which details of the administrative regulations for rent control will be made public, will discuss these administrative regulations item by item as well as detailed procedure for their application, according to the announcement. David B. Simpson, Portland, Ore., President of the National Association of Real Estate Boards, will be honorary chairman, and Institute President R. C. Nordblom, will preside. A mesage from Price Administrator Henderson, will be brought to the conference by Paul A. Porter, Assistant Administrator, who will discuss the rent provisions of the Price Control Act in their relationship to our general wartime economic policy. Karl Borders, as director of OPA's rent division, will open the discussion of the law itself and outline the basis for the administrative regulations to be issued under it. Cyril R. DeMara, Toronto, administrator of housing rentals for Canada, former chairman of the National Institute of Real Estate Brokers and President of the Ontario Association of Real Estate Boards, will give the conference the details of Canadian experience with rent control. Robert W. Wales, Assistant General Council of the OPA, will speak on legal aspects of the rent control law.

Illinois Bankers Oppose Branch Banks At Camps

Opposition of the Illinois Bankers Association to the Senate-approved bill authorizing the Comptroller of the Currency to provide banking facilities at United States military reservations and navy yards and stations was voiced in a letter to the House of Representatives at Washington on April 10, by Harry C. Hausman, Secretary of the Association. In his letter Mr. Hausman says:

> On April 3, S. 1603 was passed by the Senate. This bill amends the National Banking Act by authorizing the Comptroller of the Currency to provide banking facilities at United States Military Reservations and Navy Yards and Stations notwithstanding any provision of law to the contrary. In other words, the bill provides for permitting any national bank, upon the authority of the Comptroller of the Currency, anywhere in the country to establish a branch bank either within or without its home State and without regard for the State law applicable to State banks in the place affected.
>
> The Illinois Bankers Association respectfully urges you to give most serious consideration to the undesirable implications arising out of this bill. The bankers in this State have throughout the years been opposed to any branch banking and have been prominent in their opposition to all measures proposed in Congress which would permit branch banking in States where such type of banking is prohibited to their State banks. The General Assembly of this State has on every occasion, when the subject was brought up, confirmed this opposition and reiterated it as public policy within the State.
>
> The controversy with regard to branch banking is well known to you and needs no repetition here. However, this particular bill could create endless trouble in the State of Illinois which should be avoided if at all possible.
>
> At the present time there are 5 Army and Navy Stations in Illinois to which it could apply. Each of these has existed for a long time, several of them antedating the last World War. At no time during this period has the personnel of these Stations been inconvenienced because of lack of banking facilities and we have heard no demand from any of the men in these Stations for such facilities. Each one is reasonably close to or within a town with a bank one or more) and to discriminate against these several banks which are now serving such communities and permit one as against the rest to have a branch within the Post would create a situation which would be very difficult for us to overcome.
>
> There may be a suggestion that our opposition to this bill indicates a disloyalty on the part of Illinois bankers to the men who are so bravely and willingly giving their all for the defense of this country. May I be permitted to state with justifiable pride that there is no group more loyal and willing to serve the needs of this country during this emergency. The possible argument which may be advanced against us in this petition to you could only be in order to use the war as an excuse to open the door to branch banking in the State of Illinois and we are of the opinion that such an excuse is not justified.

Insurance Agents Discuss War Damage Plans

Senator Robert F. Wagner of New York told the National Association of Insurance Agents on April 14 that the Government had entered the field of war damage insurance "not only to protect property values during the war, but also to prevent raids on the Treasury after the war."

Speaking from Washington by direct wire to the Association's dinner in New York, Senator Wagner said the action was one of necessity, not choice, and assured the agents that "there is no thought in any responsible quarter" of duplicating the insurance industry's facilities for arranging coverage and adjusting losses "with an army of new Federal agents and adjusters."

He added that plans for putting the corporation into operation will be announced in the near future, at the same time predicting that premium rates will be low.

Another speaker from Washington was Senator Murray of Montana who made a plea for protective measures for small business.

Louis H. Pink, New York State Superintendent of Insurance, praised the insurance industry for offering their organization and trained experience to the Government in working out the war damage plan "without thought of advantage or profit." Mr. Pink said he believes the plan being developed is "sensible, fair and workable." He added:

> The War Damage Corporation will utilize the machinery, the skill, the experience of our great institution in the most extensive insurance operation yet seen in this world—the protection of the dwellings, the business structures, the industrial plants and the tools and personal effects of all of the people of this great land. It is due to the willingness and the ardent desire of the insurance industry to serve the country in its time of trial without seeking any profit that this great national enterprise can be carried on by the War Damage Corporation with a skeleton staff and with nominal cost to the nation.

In his mid-year report on activities, R. W. Forshay, President of the Association, sets forth that the organization believes that the insurance companies should have a proper place in the war damage protection situation. The report said:

> We believe that the operation of the War Damage Corporation can be handled most effectively by the insurance industry. We believe that the industry is ready and desirous to undertake this task as a patriotic responsibility on a non-profit basis. We believe that insurance companies, agents and brokers can combine to render a particularly distinguished and vitally necessary service in the present great emergency. We believe that through a proper co-ordination of the services and abilities of all branches of insurance the most efficient and economical operation possible can be accomplished.
>
> So believing, the National Association stands ready to cooperate fully with other branches of the business in the perfecting and execution of a practical plan properly to make available the protection to American property owners desired and authorized by the Congress of the United States.

With regard to taxes, the report stated:

> There can no longer be any excuse for any insurance company to ask exemption from the Federal Government because it transacts its business in a given way, as distinguished from other companies who operate on a capital stock basis. As a matter of report, you are advised that the Federal Treasury has this item under consideration and we may hope and expect that the problem will be justly and equitably solved.

To Head New York Chapter of AIB

At a meeting of the Board of Governors of New York Chapter, American Institute of Banking, held on April 14, the name of Daniel Schmeidler was placed in nomination for the presidency of New York Chapter for the term of 1942-43. Mr. Schmeidler, a member of the class of '26 joined the State Bank of Richmond County in 1920 and subsequently became its Assistant Cashier. Since 1930 he has been an Assistant Secretary of the Brooklyn Trust Co. when the State Bank of Richmond County was merged with the Brooklyn Trust Co. He has been a member of the Board of Governors since 1925, Chairman of the Entertainment and the Bankers Forum Committees, Chief Consul, and President of the Alumni Association. He was one of the organizers and a President of the Richmond County Bankers Association, has been Chairman of Group VII and a member of the Council of Administration of New York State Bankers Association. At the present time he is Chairman of his local draft board.

Sugar Rationing For May

The sugar rationing program will proceed as scheduled for early May, it was recently announced in a joint statement issued by Donald M. Nelson, Chairman of the War Production Board, and Leon Henderson, head of the Office of Price Administration.

Following a conference, which had been called in connection with reports that the program might be called off, Messrs. Nelson and Henderson issued this statement:

> Newspaper and radio stories indicating existence of a dispute as to the need for sugar rationing between the War Production Board and the Office of Price Administration are without foundation in fact. The sugar rationing program will proceed as scheduled and the public should not permit unauthorized sources to confuse the necessity for this policy.

Over 1,000,000 retailers and wholesalers will register at high schools throughout the country on April 28 and 29, while home consumers will register and receive their ration cards May 4 through May 7. Retail sales of sugar will be prohibited after April 27 for about a week, preparatory to sales under rationing.

The OPA announced on April 16 that allotment during the first eight weeks of the program will be limited to one-half a pound of sugar a week per person. Later allotments will be fixed depending upon available supplies.

Plans for the rationing were noted in these columns April 2, page 1349.

Suspends Sugar Quotas

President Roosevelt on April 13 signed a proclamation suspending all import and domestic marketing quotas in the case of both raw and refined sugar. This action, recommended by the Department of Agriculture, was taken in order to facilitate shifting of quota deficiencies from one producing area to another, since supplies are expected to be below normal requirements.

In his proclamation the President said that "the outbreak of war has resulted in dislocation of sugar supplies from certain customary sources" and that this dislocation "has brought about a shortage of sugar required to meet the needs of consumers." He further said that "it is possible to obtain sugar from areas not included, or not adequately included," in the quota provisions of the Sugar Act of 1937 and that, acting under and by virtue of the authority vested in him by that Act he found "that a national economic emergency exists with respect to sugar" and hence "by this proclamation suspends the operation of title II of that Act."

Feb. Home Loans High

Still keeping ahead of loan volume of two years ago, although somewhat under that of 1941, the savings, building and loan associations of the Nation lent $76,756,000 for home ownership and home remodelling purposes in February, according to the United States Savings and Loan League. A three-month high was achieved in the percentage of the funds used for home purchase, 44%, says the League. Fermor S. Cannon, President of the League, pointed out that dollar volume of home purchase loans was 11.5% greater than in February, 1941, witnessing to the increasing interest in already existing homes as a sound investment in a period of rising prices. Lending of $33,769,000 made this the most active February in home purchase loans in 10 years, he said. Home construction loans continued to account for more than a fourth of the disbursement. The $20,799,000 volume of new building constituted a major contribution to the housing of workers in defense areas, Mr. Cannon said, since 75% of total savings and loan resources are within lending radius of areas with A priority ratings for building materials.

Breakdown of the February loans, purpose for which they were made and percentage for each purpose follows:

Purpose—	Estimated Loans Made By All Associations in United States	Percent of Total
Construction	$20,799,000	27.0
Repair & modernization	3,138,000	4.1
Home purchase	33,769,000	44.0
Refinancing	12,325,000	16.1
Other purposes	6,725,000	8.8
Total	$76,756,000	

U. S. and Canada Agree On Reciprocal Draft Rules

The United States and Canada have concluded an arrangement for reciprocal treatment of citizens of both countries under their military service laws. It was indicated in press advices from Washing April 9 that as the result of an exchange of notes between Sumner Wells, Acting Secretary of State, and Leighton McCarthy, Canadian Minister to Washington, Canadian nationals living in the United States, who have not declared their intention of becoming American citizens, will have the right to elect to serve in the armed forces of Canada when called up under the United States Selective Service Act. Aliens of other nationalities residing in the United States will also be able to choose service in their respective armed forces.

It is emphasized that no threat or compulsion will be exercised by any co-belligerent government to induce any person in the United States to enlist in the forces of a foreign government.

From Washington April 9 the New York "Times" reported:

> Further, it was provided that Canada would not accept enlistments here of United States citizens or resident aliens subject to registration. Mr. McCarthy's note agreed to the reciprocity with the understanding that it did not prevent Canada from declaring the legal liability of Canadians everywhere to serve in their country's forces.

President Creates New Civilian Defense Board

President Roosevelt issued an executive order on April 16 reorganizing the Office of Civilan Defense so as "to integrate its activities more closely with those of other war agencies and to gear its programs to the war effort."

The President's order sets up a new Civilian Defense Board to act in an advisory capacity to the OCD, which is directed by James M. Landis. On this Board are Secretary of War Stimson, Secretary of Navy Knox, Paul V. McNutt, Director of the Office of Defense Health and Welfare Services; Mayor Maurice J. Tobin of Boston, Norman H. Davis, Chairman of the Red Cross; Earl D. Mallery, Executive Director of the American Municipal Association, and Harold Stassen, Governor of Minnesota, who is serving as a Lieutenant Commander in the Navy.

Under the order the OCD will serve "as the center of co-ordination of Federal Civilian Defense activities, which involve relationships between various Federal agencies and the State and local governments."

The White House said that Mr. Landis will continue the "internal organization and management" of the OCD, but will perform his duties "under the direction and supervision of the President" and "with the advice and assistance" of the new board.

Changes In Holdings Of Reacquired Stock Of N. Y. Stock & Curb Listed Firms

The monthly compilation of companies listed on the New York Stock Exchange reporting changes in their holdings of reacquired stock was made available on April 16. Following is the tabulation issued by the Stock Exchange:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report	
Allied Stores Corp., 5% preferred	3,303	4,103	
American-Hawaiian Steamship Co., common	68,700	69,100	
American Hide & Leather Co., 6% preferred	6,500	7,100	
American Viscose Corp., 5% cumulative preferred	1,246	1,746	(1)
Armour & Co. (Del.), 7% preferred	1,056	1,057	
Associates Investment Co., 5% cumulative preferred	5,058	9,464	
Common	18,551	19,905	
Atlas Corp., common	264,982	273,961	
6% preferred	2,008	6,122	
Barnsdall Oil Co., common	26,900	29,500	
Borden Co. (The), capital	26,011	31,254	
Case (J. I.) Co., 7% preferred	2,645	3,235	
Century Ribbon Mills, Inc., 7% preferred	70	160	
Chicago Yellow Cab Co., Inc., capital	7,222	9,604	
Coca-Cola (The) Co., common	4,000	4,800	
Consolidated Oil Corp., common	400	13,500	
Cuban-American Sugar Co. (The), 5½% conv. preferred	13,488	13,588	
7% cumulative preferred	6,533	6,733	
Davega Stores Corp., common	8,850	9,550	
Detroit Edison Co. (The), common	10,648	10,118	
Federated Department Stores, Inc., 4¼% conv. preferred	12,000	13,000	
Firestone Tire & Rubber Co. (The), common	317,359	318,319	
6% cumulative A preferred	19,866	23,366	
Flintkote Co. (The), $4.50 cumulative preferred	800	1,000	
Freeport Sulphur Co., common	------	------	(2)
Fruehauf Trailer Co., 5% conv. preferred	3,703	1,175	(3)
General Motors Corp., common	236,040	247,640	
General Railway Signal Co., 6% preferred	689	1,191	
General Realty & Utilities Corp., 6% preferred	------	100	
General Shoe Corp., common	3,500	3,525	
Gillette Safety Razor Co., $5 conv. preferred	3,449	4,149	
Goodyear Tire & Rubber Co. (The), $5 cum. conv. pref.	13,065	15,765	
Household Finance Corp., common	7,297	7,497	
International Silver Co., 7% preferred	9,212	------	(4)
Interstate Department Stores, Inc., 7% preferred	4,816	4,826	
Jones & Laughlin Steel Corp., common	61,191	63,253	
5% preferred A	24,476	25,301	
5% preferred B	24,476	25,301	
Kaufmann Department Stores, Inc., 5% cum. preferred	20,235	18,735	
Madison Square Garden Corp., capital	18,494	19,800	
Mohawk Carpet Mills, Inc., capital	10,800	15,600	
National Aviation Corp., capital	------	900	
National Department Stores Corp., 6% preferred	71,701	77,813	
National Steel Corp., common	6,575	6,450	
Norfolk & Western Railway Co., adj. 4% non-cum. pref.	3,423	3,593	
Otis Steel Co. (The), $5.50 conv. preferred	------	2	
Petroleum Corp. of America, capital	124,300	129,800	
Plymouth Oil Co., common	5,200	7,700	
Radio Corp. of America, $5 cumulative preferred B	------	------	(5)
Real Silk Hosiery Mills, Inc., 7% cumulative preferred	5,293	5,303	
Rustless Iron & Steel Corp., common	336	338	
Safeway Stores, common	15,094	15,095	
5% cumulative preferred	671	2,014	
Shattuck (Frank G.) Co., common	140,000	140,500	
Sheaffer (W. A.) Pen Co., common	3,986	4,156	
Swift & Co., capital	78,092	78,005	
Transamerica Corp., capital	1,048,300	1,079,300	(6)
United Fruit Co., common	1,300	5.000	
United States Leather Co. (The), prior preferred	16,435	16,735	
United States Rubber Co., common	403	379	
Universal Pictures Co., Inc., 8% preferred	5.741	5,814	
Vick Chemical Co., capital	18,900	19.100	
Vulcan Detinning Co. (The). 7% preferred	1,875	2,025	
White (The S. S.) Dental Mfg. Co., capital	1,216	1,283	

NOTES

(1) 900 shares retired; 1,400 shares acquired.

(2) 1,380 shares acquired. Such shares, together with 3,620 shares of previously unissued stock, were delivered to acquire certain property.

(3) 230 shares acquired; 2,758 shares retired.

(4) Retired.

(5) 100 shares acquired and retired.

(6) 8,000 shares acquired during February; 23,000 shares acquired during March.

The New York Curb Exchange issued on April 15, the following list of issuers of fully listed securities which have reported changes in their holdings of reacquired stock:

Name—	Shares Previously Reported	Shares Per Latest Report
American General Corp., $2.50 div. ser. preferred	259	309
$2 div. ser. preferred	8,481	8,931
Common	356,528	356,644
American Writing Paper Corp, common	8,300	11,300
Blue Ridge Corp., $3 conv. preferred	1,650	2,465
Cooper-Bessemer Corp., $3.50 prior preferred	600	700
Crown Central Petroleum Corp., common	569	570
Dejay Stores, Inc., common	8,186	8.486
Detroit Casket & Mfg. Co., 6% preferred	13,216	13,516
Electrographic Corp., common	1,386	1,486
Interstate Hosiery Mills, Inc., capital	6,125	6,545
Ken-Rad. Tube & Lamp Corp., A common	None	6,550
Kleinert (I. B.) Rubber Co., common	27,078	27,028
Knott Corp., common	7,258	8,058
Lane Bryant, Inc., 7% preferred	642	2
Merritt-Chapman & Scott Corp, 6½% A preferred	2.968	3.243
Nehi Corp., first preferred	1,747	1.946
New York & Honduras Rosario Mining Co., capital	2,535	2,735
Niagara Share Corp. of Maryland, A preferred	4.220	4.226
B common	129,881	139,081
North Central Texas Oil Co., Inc., common	32.000	32,400
Oilstocks, Ltd., capital	3,710	104
Roosevelt Field, Inc., capital	60,400	59,400
Schulte (D. A.), Inc., common	None	26,474
Convertible preferred	None	5
Selected Industries, Inc., $5.50 div. prior stock	1,350	2,800
Starrett Corp., v. t. c. common	23	24
Sterling, Inc., common	57,550	57,650
Sunray Oil Corp., 5½% conv. preferred	272	289
Tobacco & Allied Stocks, Inc., capital	470	None
United Cigar-Whelan Stores Corp., common	12.121	12.124
Utility Equities Corp., $5.50 div. prior stock	8,390	8,590

Cotton Consumption In March At High Level

Under the date of April 14, 1942, the Census Bureau issued its report showing cotton consumed in the United States, cotton on hand, active cotton spindles, and imports and exports of cotton for the month of March, 1942 and 1941. Cotton consumed amounted to 966,631 bales of lint and 131,187 bales of linters, as compared with 893,745 bales of lint and 107,539 bales of linters, in February, 1942.

March consumption of cotton includes 5,400 bales distributed by Surplus Marketing Administration through various cotton mattress programs.

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†

(Based on Average Yields)

1942— *Daily Averages*	*U. S. Govt. Bonds*	*Avge. Corporate* *	*Corporate by Ratings* * *Aaa*	*Aa*	*A*	*Baa*	*Corporate by Groups* * *R. R.*	*P. U.*	*Indus*
Apr. 21	117.96	106.92	116.41	113.50	107.62	92.20	97.00	110.88	113.89
20	118.03	106.92	116.41	113.70	107.62	92.20	96.85	110.70	114.08
18	118.12	106.92	116.41	113.70	107.62	92.20	97.00	110.88	113.89
17	118.08	106.92	116.41	113.70	107.62	92.20	96.85	110.88	113.89
16	118.13	106.92	116.41	113.70	107.62	92.20	96.85	110.70	114.08
15	118.16	106.92	116.41	113.70	107.62	92.20	97.00	110.88	113.89
14	118.18	106.92	116.41	113.70	107.62	92.06	96.85	110.70	113.89
13	118.16	106.92	116.41	113.70	107.62	92.20	97.00	110.70	114.08
11	118.07	106.92	116.41	113.70	107.62	92.35	97.16	110.70	114.08
10	118.06	106.92	116.41	113.89	107.62	92.35	97.16	110.70	114.08
9	118.07	106.92	116.41	113.70	107.62	92.35	97.16	110.70	114.08
8	118.11	106.92	116.41	113.70	107.62	92.35	97.16	110.70	114.08
7	118.11	106.92	116.41	113.70	107.62	92.50	97.16	110.70	114.08
6	118.17	106.92	116.22	113.70	107.62	92.20	97.16	110.52	113.89
4	118.16	106.92	116.41	113.70	107.62	92.20	97.00	110.52	114.08
3				STOCK EXCHANGE CLOSED					
2	118.10	106.92	116.22	113.70	107.62	92.20	97.00	110.52	114.08
1	118.03	106.92	116.22	113.70	107.62	92.20	97.00	110.52	113.89
Mar. 27	118.20	106.74	116.22	113.50	107.62	91.91	97.00	110.34	113.50
20	117.80	106.21	115.63	113.12	107.09	91.34	96.85	109.79	112.93
13	117.33	106.21	115.43	112.93	107.27	91.34	96.85	109.60	112.75
6	117.32	106.21	115.63	112.93	107.27	91.62	96.85	109.79	113.31
Feb. 27	116.34	106.39	115.63	113.31	107.62	91.62	96.85	110.15	113.31
20	116.32	106.56	115.82	113.31	107.80	91.62	96.85	110.34	113.50
13	116.27	106.74	116.41	113.50	107.80	91.77	97.16	110.70	113.50
6	117.02	106.74	116.41	113.50	107.80	91.91	97.16	110.70	113.70
Jan. 30	117.08	106.92	116.22	113.70	107.80	92.06	97.31	110.52	113.70
23	117.51	106.92	116.22	114.08	107.62	91.91	97.31	110.70	113.70
16	117.60	106.92	116.41	113.89	107.62	91.91	97.31	110.52	113.70
9	118.00	106.92	116.61	114.08	107.62	91.77	97.16	110.70	113.89
2	117.61	106.04	115.82	113.50	107.09	90.63	95.92	110.34	113.31
High 1942	118.27	106.92	116.61	114.08	107.98	92.50	97.47	110.88	114.08
Low 1942	115.90	106.04	115.43	112.93	107.09	90.63	95.92	109.60	112.75
High 1941	120.05	108.52	118.60	116.02	109.60	92.50	97.78	112.56	116.41
Low 1941	115.89	105.52	116.22	112.00	106.04	89.23	95.62	109.42	111.62
1 Year ago April 21, 1941	118.65	106.04	116.80	112.75	106.39	90.91	96.54	110.34	112.00
2 Years ago April 20, 1940	115.89	103.30	116.41	113.31	102.46	85.20	90.91	108.70	112.00

MOODY'S BOND YIELD AVERAGES†

(Based on Individual Closing Prices)

1942— *Daily Average*	*Avge. Corporate*	*Corporate by Ratings* *Aaa*	*Aa*	*A*	*Baa*	*Corporate by Groups* *R. R.*	*P. U.*	*Indus*
Apr. 21	3.34	2.83	2.98	3.30	4.26	3.94	3.12	2.96
20	3.34	2.83	2.97	3.30	4.26	3.95	3.13	2.95
18	3.34	2.83	2.97	3.30	4.26	3.94	3.12	2.96
17	3.34	2.83	2.97	3.30	4.26	3.95	3.12	2.96
16	3.34	2.83	2.97	3.30	4.26	3.95	3.13	2.95
15	3.34	2.83	2.97	3.30	4.26	3.94	3.12	2.96
14	3.34	2.83	2.97	3.30	4.27	3.95	3.13	2.96
13	3.34	2.83	2.97	3.30	4.26	3.94	3.13	2.95
11	3.34	2.83	2.97	3.30	4.25	3.93	3.13	2.95
10	3.34	2.83	2.96	3.30	4.25	3.93	3.13	2.95
9	3.34	2.83	2.97	3.30	4.25	3.93	3.13	2.95
8	3.34	2.83	2.97	3.30	4.25	3.93	3.13	2.95
7	3.34	2.83	2.97	3.30	4.24	3.93	3.13	2.95
6	3.34	2.84	2.97	3.30	4.26	3.93	3.14	2.96
4	3.34	2.83	2.97	3.30	4.26	3.94	3.14	2.95
3				STOCK EXCHANGE CLOSED				
2	3.34	2.84	2.97	3.30	4.26	3.94	3.14	2.95
1	3.34	2.84	2.97	3.30	4.26	3.94	3.14	2.96
Mar. 27	3.35	2.84	2.98	3.30	4.28	3.94	3.15	2.98
20	3.38	2.87	3.00	3.33	4.32	3.95	3.18	3.01
13	3.38	2.88	3.01	3.32	4.32	3.95	3.19	3.02
6	3.38	2.87	3.01	3.32	4.30	3.95	3.18	2.99
Feb. 27	3.37	2.87	2.99	3.30	4.30	3.95	3.16	2.99
20	3.36	2.86	2.99	3.29	4.30	3.95	3.15	2.98
13	3.35	2.83	2.98	3.29	4.29	3.93	3.13	2.98
6	3.35	2.83	2.98	3.29	4.28	3.93	3.13	2.97
Jan. 30	3.34	2.84	2.97	3.29	4.27	3.92	3.14	2.97
23	3.34	2.84	2.95	3.30	4.28	3.92	3.13	2.97
16	3.34	2.83	2.96	3.30	4.28	3.92	3.14	2.97
9	3.34	2.82	2.95	3.30	4.29	3.93	3.13	2.96
2	3.39	2.86	2.98	3.33	4.37	4.01	3.15	2.99
High 1942	3.39	2.88	3.01	3.33	4.37	4.01	3.19	3.02
Low 1942	3.34	2.82	2.95	3.28	4.24	3.91	3.12	2.95
High 1941	3.42	2.86	3.06	3.39	4.47	4.03	3.20	3.08
Low 1941	3.25	2.72	2.85	3.19	4.24	3.89	3.03	2.83
1 Year ago April 21, 1941	3.39	2.81	3.02	3.37	4.35	3.97	3.15	3.06
2 Years ago April 20, 1940	3.55	2.83	2.99	3.60	4.77	4.35	3.24	3.06

* These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

† The latest complete list of bonds used in computing these indexes was published in the issue of Oct. 2, 1941, page 409.

Electric Output For Week Ended April 18, 1942 Shows 14.2% Gain Over Same Week In 1941

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended April 18, 1942, was 3,307,700,000 kwh., which compares with 2,897,307,000 kwh. in the corresponding period in 1941, a gain of 14.2%. The output for the week ended April 11, 1942, was estimated to be 3,320,858,000 kwh., an increase of 14.3% over the corresponding week in 1941.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

	Week Ended			
Major Geographical Divisions—	Apr. 18, '42	Apr. 11, '42	April 4, '42	Mar. 28, '42
New England	10.8	12.4	9.3	9.8
Middle Atlantic	13.0	9.7	9.0	8.4
Central Industrial	11.6	12.3	10.2	10.1
West Central	9.0	8.8	11.5	12.4
Southern States	18.1	18.6	14.8	11.7
Rocky Mountain	2.1	7.7	13.3	13.6
Pacific Coast	25.3	26.4	28.3	28.8
Total United States	14.2	14.3	13.1	12.4

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1942	1941	% Change 1942 over 1941	1940	1932	1929
Mar. 7	3,392,121	3,004,639	+12.9	2,553,109	1,538,452	1,702,570
Mar. 14	3,357,444	2,983,591	+12.5	2,550,000	1,537,747	1,687,229
Mar 21	3,357,032	2,983,048	+12.5	2,508,321	1,514,553	1,687,229
Mar. 28	3,345,502	2,975,407	+12.4	2,524,066	1,480,208	1,679,589
Apr. 4	3,348,608	2,959,646	+13.1	2,493,690	1,465,076	1,663,291
Apr. 11	3,320,858	2,905,581	+14.3	2,529,908	1,480,738	1,696,543
Apr. 18	3,307,700	2,897,307	+14.2	2,528,868	1,469,810	1,709,331
Apr. 25	------	2,950,448	----	2,499,060	1,454,505	1,699,822

WPB Freezes Bicycles

The War Production Board, in a move designed to halt the sale of bicycles to persons who do not need them, on April 2 froze the sale, shipment, delivery or transfer of all new adult bicycles, pending the establishment of a rationing system. The order went into effect at 11:59 P. M., April 2.

M. D. Moore, section chief of the WPB's durable goods branch, said that "the order was issued because of the terrific rate at which bicycles have been going to people who don't need them, with too few going to people like defense workers who have to have them now, or soon will need them." He added that "stocks frozen and future production will be made available on the basis of essential needs with defense workers getting first call, essential civilian needs next, and then anyone else, if more are available."

The "freezing" order applies to all bicycles except those actually in transit at the time the order became effective. These will be frozen at their destination unless consigned to an ultimate consumer. A "new adult bicycle" is defined as one with a frame measurement from the center of the crank to the top of the saddle staff post of more than 19 inches and which has never been used by an ultimate consumer.

The WPB on April 7 extended this order to include bicycles having frames of more than 17 inches. Officials said that this action was taken to prevent the sale of the 18-inch double bar "camel-back" frame, which also is an adult bicycle, and women's models which run about the same sizes as the "camel-back" styles.

The action of the WPB in ordering a curtailment in the manufacture of bicycles in order to save critical war materials was noted in our issue of Mar. 26, p. 1249.

Farm Product Buying Reaches Record In March

Purchases of farm products reaching a monthly high record of $104,370,000 were made by the Agricultural Marketing Administration during March under the general buying program for lend-lease and other needs, the Department of Agriculture reported on April 17. Cumulative value of all farm products bought for lend-lease shipment and other distribution needs approximates $877,353,000 for the 12½-month period ending March 31, 1942, said the Administration's advices, which also stated:

> Items bought in large quantities included 26,683,000 pounds of dried eggs at an f. o. b. cost of $25,824,000; 57,498,000 pounds of canned pork at $22,404,000; 24,368,000 pounds of cured pork at $5,093,000; 37,297,000 pounds of lard at $4,877,000; 3,290,000 cases of evaporated milk at $10,552,000; 35,067,000 pounds of cheese at $7,913,000; 32,439,000 pounds of dry skim milk at $3,978,000; 5,136,000 pounds of butter at $1,776,000; 29,782,000 pounds of dry beans at $1,318,000; nearly 257,500 gallons of concentrated orange juice at approximately $740,000; 40,878,000 pounds of granulated cane sugar at $2,036,000; and 623,000 barrels of white flour at $2,895,000.

Moody's Daily Commodity Index

Tuesday, April 14	232.5
Wednesday, April 15	232.3
Thursday, April 16	231.7
Friday, April 17	231.3
Saturday, April 18	231.5
Monday, April 20	231.2
Tuesday, April 21	231.6
Two weeks ago, April 7	233.3
Month ago, March 21	229.5
Year ago, April 21	186.1
1941 High—Sept. 9	219.9
Low—Feb. 17	171.6
1942 High—April 7	234.0
Low—Jan. 2	220.0

Lumber Movement—Week Ended April 11, 1942

Lumber production during the week ended April 11, 1942, was 2% less than the previous week, shipments were 4% less, new business 12% greater, according to reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 17% above production; new orders 53% above production. Compared with the corresponding week of 1941, production was 6% less, shipments, 11% greater, and new business 34% greater. The industry stood at 131% of the average of production in the corresponding week of 1935-39 and 145% of average 1935-39 shipments in the same week.

Year-to-Date Comparisons

Reported production for the first 14 weeks of 1942 was 4% below corresponding weeks of 1941; shipments were 4% above the shipments, and new orders 8% above the orders of the 1941 period. For the 14 weeks of 1942, new business was 27% above production, and shipments were 15% above production.

Supply and Demand Comparisons

The ratio of unfilled orders to gross stocks was 54% on April 11, 1942, compared with 39% a year ago. Unfilled orders were 24% greater than a year ago; gross stocks were 12% less.

Softwoods and Hardwoods

Record for the current week ended April 11, 1942, for the corresponding week a year ago, and for the previous week, follows in thousand board feet:

SOFTWOODS AND HARDWOODS

	1942 Week	1941 Week	1942 Previous Wk. (rev.)
Mills	460	460	475
Production	233,813	247,696	237,558
Shipments	272,848	245,364	284,520
Orders	356,872	266,193	319,077

	Softwoods 1942 Week		Hardwoods 1942 Week	
Mills	370		104	
Production	220,967	100%	12,846	100%
Shipments	259,205	117	13,643	106
Orders	344,522	156	12,350	96

Government Employment At New Record in Jan.

The Civil Service Commission reported on Apr. 6 that civilian employment in the Government's executive branch advanced by another 32,177 persons in January to a record total of 1,703,099, as compared with 1,153,431 in January, 1941. The increase occurred despite the Postoffice Department's drop of 53,564 seasonal employees "and therefore shows a definite expansion due to the war program."

Associated Press Washington advices of Apr. 6 reported further:

> The Commission showed that employment in 10 "principal war agencies," such as the War and Navy Departments, Maritime Commission, Panama Canal and Tennessee Valley Authority, totaled 1,015,981 in January, as compared with 497,354 a year earlier.
>
> The Government's regular January payroll for civilian workers in the executive branch was $259,404,945, compared with $178,413,671 in January, 1941.
>
> Civilian employment in Washington's metropolitan area continued to climb in February by 9.920 persons to a record of 233,403, the Commission said in another report.
>
> The War Department added 3,689 civilian workers, the Navy Department 3,078 and the Office of Emergency Management, 1,570.
>
> Due to decentralization activities, employment by the Commerce Department in the Washington area dropped 747 persons.
>
> The civilian payroll for Government offices in this area in February was $39,541,247.

Labor Bureau's Wholesale Price Index Again Advanced Slightly In April 11 Week

The Bureau of Labor Statistics, U. S. Department of Labor, announced on April 16 that except for sharp increases in prices for livestock and its products, wholesale commodity markets were comparatively steady during the week ended April 11. With a gain of 0.2% the Bureau's comprehensive index of nearly 900 price series rose to 98.1% of the 1926 average, the highest level since September, 1928. In the past month the index has risen 1% and it is now 18% above the corresponding week of last year.

The Labor Bureau's announcement further says:

> An increase of 1.4% for hides and leather products was accompanied by advances of 0.4% for farm products and 0.1% for textile products, metals and metal products and miscellaneous commodities. Fuel and lighting materials declined 0.5% largely because of seasonally lower prices for coal and for gasoline in the California area. Average prices for foods in primary markets dropped 0.2%.
>
> Although prices for agricultural commodities rose less than ½ of 1% during the week, they are more than 2% higher than a month ago and nearly 40% above the mid-April level of last year. In the past week average prices for livestock rose 2.3% led by sharp increases for cows, steers and hogs. Quotations were also higher for apples, onions and sweet potatoes and for barley, flaxseed and wool. Lower prices were reported for corn, oats, rye, wheat, for calves and live poultry in the Chicago market and for eggs, milk, citrus fruits and white potatoes.
>
> Seasonal declines in prices for fruits and vegetables together with lower prices for milk, certain cured meats and for flour and oatmeal accounted for the decline in the foods group index. Prices were higher for butter, fresh pork, mutton, dressed poultry and for corn meal, rice, dried fruits, canned salmon, salt and sugar. Nothwithstanding the recent decrease in food prices they are 1.3% higher than at this time last month and in the past year have risen 25%. Cattle feed prices advanced 1% during the week.
>
> Earlier increases in prices for hides effected higher prices for shoes and leather harness. Quotations for goatskins and sheepskins rose sharply.
>
> Continued advances in prices for raw cotton were reflected in prices for cotton yarns, yard goods and underwear.
>
> Higher prices were reported for certain building materials such as brick, cement and plaster while paint materials, particularly rosin and turpentine, declined.
>
> The following tables show (1) index numbers for the principal groups of commodities for the past three weeks, for March 14, 1942, and April 12, 1941, and the percentage changes from a week ago, a month ago, and a year ago; (2) percentage changes in subgroup indexes from April 4 to April 11, 1942.

(1926=100)

						Percentage changes to April 11, 1942, from		
Commodity Groups—	4-11 1942	4-4 1942	3-28 1942	3-14 1942	4-12 1941	4-4 1942	3-14 1942	4-12 1941
All Commodities	98.1	97.9	97.4	97.1	82.9	+0.2	+1.0	+18.3
Farm products	104.6	104.2	103.4	102.3	74.9	+0.4	+2.2	+39.7
Foods	97.0	97.2	95.9	95.8	77.5	—0.2	+1.3	+25.2
Hides and leather products	119.8	118.1	117.6	116.4	103.9	+1.4	+2.9	+15.3
Textile products	97.1	97.0	95.9	95.9	80.4	+0.1	+1.3	+20.8
Fuel and lighting materials	77.9	78.3	78.1	78.2	73.4	—0.5	—0.4	+ 6.1
Metals and metal products	103.9	103.8	103.7	103.7	97.8	+0.1	+0.2	+ 6.2
Building materials	110.5	110.5	110.6	110.2	99.9	0	+0.3	+10.6
Chemicals and allied products	97.1	97.1	97.1	97.1	81.7	0	0	+18.8
Housefurnishing goods	104.3	104.3	104.1	104.1	91.5	0	+0.2	+14.0
Miscellaneous commodities	89.7	89.6	89.7	89.4	78.1	+0.1	+0.3	+14.9
Raw materials	99.4	99.4	98.3	97.4	77.4	0	+2.1	+28.4
Semimanufactured articles	92.8	92.8	92.2	92.1	84.9	0	+0.8	+ 9.3
Manufactured products	98.5	98.2	97.9	97.9	85.6	+0.3	+0.6	+15.1
All commodities other than farm products	96.7	96.6	96.1	95.9	84.7	+0.1	+0.8	+14.2
All commodities other than farm products and foods	95.6	95.6	95.3	95.2	85.9	0	+0.4	+11.3

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM APRIL 4, 1942, TO APRIL 11, 1942

Increases

Hides and skins	3.1	Other foods	0.4
Livestock and poultry	2.3	Other leather products	0.4
Shoes	1.8	Cement	0.1
Cattle feed	1.0	Cereal products	0.1
Brick and tile	0.8	Furniture	0.1
Meats	0.6	Hosiery and underwear	0.1
Cotton goods	0.4	Other miscellaneous	0.1

Decreases

Anthracite	2.1	Grains	0.5
Dairy products	1.9	Bituminous coal	0.4
Other farm products	1.3	Paint and paint materials	0.2
Fruits and vegetables	1.2	Fertilizer materials	0.1
Petroleum products	1.0	Leather	0.1
Other textile products	0.1		

Automobile Financing Down 78% In Month Diversified Financing Unbalanced

A decrease of 78% from January, 1942, to February, 1942, in the amount of new passenger car financing for both the number of cars and for the dollar volume of paper acquired was announced April 13 by J. C. Capt, Director of the Census. This is identical to the percentage decrease for new cars from December, 1941, to January, 1942. For new commercial cars, the number financed and the volume of paper acquired were both down 71%. Used passenger and used commercial cars were down 23% each for the number of cars financed, and 27% and 19%, respectively, for the volume of paper acquired.

Retail automotive outstandings were down 8%, as compared to a 7% decline during the previous month. The downward trend of retail automotive financing is indicated by the chart. The index, which had risen from 100 to a peak of 178 during the period from Jan. 31, 1940, to Aug. 31, 1941, has in six months dropped 50 points to 128.

The volume of paper acquired for the wholesale financing of new cars kept pace with that for January, but there was a drop of 33% in the volume of wholesale used car paper acquired. The outstanding balances for wholesale automotive, however, increased 19%, as compared to a 12% increase during the previous month.

The trends for diversified financing were mixed. Increases in the volume of retail paper acquired were registered in the financing of refrigerators, which were up 47%, miscellaneous retail, up 44%, household appliances, up 15%, and radios, pianos and other musical instruments, up 8%. Losses were registered in the volume of paper acquired for the financing of furniture, which was down 12%, and of residential building repair and modernization, which was down 8%. The volume of paper acquired for industrial, commercial, and farm equipment financings was up 57%. The volume of wholesale paper acquired for diversified financing (all commodities other than automotive) was up 54%.

The outstanding balances for retail financing of consumers' goods other than automotive, were down 3%, which is identical to the percentage decrease reported for the previous month. Outstanding balances for industrial, commercial, and farm equipment were up slightly as against a 2% decrease for the previous month. Wholesale diversified outstanding balances continued to pile up, showing a gain of 18% as compared with an increase of 7% last month.

The volume of retail automotive paper acquired during February is 3% of the outstanding balances as of Feb. 28, 1942; the volume of retail paper acquired for consumers' goods other than automotive is 4% of the outstanding balances. For wholesale financings the ratio of the volume of paper acquired to the outstanding balances is much higher, being 27% and 42% for automotive and for diversified financing, respectively.

The compilation of these current trends is based on monthly reports from 292 sales finance companies in the United States. The data are published as reported without adjustment for seasonal or price fluctuations. Neither the dollar volumes reported nor the indices should be used to indicate the total amount of financing by all sales finance companies in the United States. This report differs from the report for January in that the month of January, 1942, is used as the base for the indices on the number of cars financed and on the volume of paper acquired. The indices of outstanding balances for February were obtained by calculating the percentage changes from January to February, as shown by matched schedules, and by linking these percentages to the indices previously derived for January, 1942. Figures of automobile financing for the month of January, 1942, were published in the April 2, 1942, issue of the "Chronicle," page 1348.

Sales—Finance Companies

AUTOMOTIVE FINANCING *

Number of Cars Financed and Volume of Paper Acquired During February, 1942

	—Number of Cars—		—Volume—	
Class of Paper—	Number	% of total	Dollars	% of total
Total retail automotive	84,486	100	$32,100,467	100
New passenger cars	2,681	3	2,095,236	6
New trucks, buses, tractor-trailers	553	2	522,425	2
Used passenger cars	77,250	91	27,925,166	87
Used trucks, buses, tractor-trailers	4,002	4	1,567,640	5
Total wholesale automotive	-----	---	$79,565,804	100
New cars (pass. and commercial)	-----	---	73,056,155	92
Used cars (pass. and commercial)	-----	---	6,509,649	8

*Data are based on reports from sales finance companies providing a breakdown of their retail and wholesale automotive financing.

DIVERSIFIED FINANCING *

Volume of Paper Acquired During February, 1942

Class of Paper—	Dollar Volume	% of total
Retail—other consumers' goods:		
Furniture	$303,005	3
Radio, television sets, pianos and other musical instruments	354,021	3
Refrigerators (gas and electric)	1,845,525	16
Other household appliances	824,141	7
Residential building repair and modernization	2,556,945	21
Miscellaneous retail	462,288	4
Total retail—other consumers' goods	$6,345,925	54
Total wholesale—other consumers' goods	4,780,983	40
Industrial, commercial, and farm equipment	697,543	6
Total diversified financing	$11,824,451	100

*Data are based on reports from sales finance companies providing a breakdown of their retail financing of other consumers' goods.

AUTOMOTIVE AND DIVERSIFIED FINANCING

Volume of Paper Acquired During February, 1942, and Balances Outstanding Feb. 28, 1942

	Dollar volume of paper acquired during February, 1942			
Class of Paper—	By all companies*	By all companies reporting outstanding balances†	Outstanding balances Feb. 28, 1942†	Ratio of paper acquired to outstand'g balances
Total retail automotive	$33,484,533	$32,724,357	$1,071,894,006	3
Total wholesale automotive	94,872,747	94,003,844	342,710,554	27
Total wholesale—other consumers' goods	4,780,983	4,725,041	11,174,021	42
Total retail—other consum. goods	13,294,131	13,073,422	297,105,486	4
Industrial, commercial and farm equipment	697,543	587,471	7,071,023	8
Total sales financings	$147,129,937	$145,114,135	$1,729,955,090	8

*Data are based on reports from all sales finance companies regardless of whether or not they could supply a breakdown and whether or not they could report their outstanding balances.

†Data are based on figures from sales finance companies able to report both their paper acquired and their outstanding balances.

Engineering Construction Down 40% In Week

Engineered construction volume for the week, $148,577,000, is up 124% compared with the corresponding 1941 week, but is 40% below the high volume of a week ago as reported by "Engineering News-Record" April 16. Private construction just tops last week's mark, but is 20% under last year. Public work declines 42% from the preceding week; however, it exceeds the 1941 week's total by 174%.

The current week's volume brings 1942 construction to $2,495,145,000, an increase of 44% over the opening 16-week period a year ago. Private construction, $227,474,000, is 52% lower than in the period last year. Public work, $2,267,671,000, increases 79% over a year ago as a result of the 138% gain in Federal construction.

Construction volumes for the 1941 week, last week, and the current week are:

	Apr. 17, 1941	Apr. 9, 1942	Apr. 16, 1942
Total construction	$66,308,000	$246,344,000	$148,577,000
Private construction	17,185,000	13,772,000	13,774,000
Public construction	49,123,000	232,572,000	134,803,000
State and municipal	22,696,000	22,228,000	7,631,000
Federal	26,427,000	210,344,000	127,172,000

Weekly Coal And Coke Production Statistics

The U. S. Bureau of Mines reported that production of Pennsylvania anthracite for the week ended April 11 was estimated at 1,112,000 tons, an increase of 232,000 tons, or 26.4%, over the preceding week. When compared with the output in the corresponding week of 1941, there was an increase of 478,000 tons (about 75%). The calendar year to date shows a gain of 5.1% when compared with the corresponding period of 1941.

The Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended April 11 showed a decrease of 12,000 net tons when compared with the output for the previous week. Coke from beehive ovens increased 3,200 tons during the same period.

The Bituminous Coal Division, U. S. Department of the Interior, in its latest coal report states that production of soft coal in the week ended April 11 is estimated at 11,250,000 net tons. This is a sharp increase over the preceding week, when output was curtailed by the holiday on April 1, and is higher than any weekly figure recorded for the month of March, 1942.

ESTIMATED UNITED STATES PRODUCTION OF SOFT COAL, IN THOUSANDS OF NET TONS WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM

	Week Ended			January 1 to Date		
*Bituminous coal—	‡Apr. 11 1942	Apr. 4 1942	Apr. 12 1941	§Apr. 11 1942	Apr. 12 1941	Apr. 10 1937
Total, incl. mine fuel	11,250	10,500	1,078	157,854	135,851	142,743
Daily average	1,875	2,019	180	1,853	1,580	1,697
†Crude petroleum— Coal equiv. of weekly output	5,676	5,475	5,772	91,153	84,527	75,670

*Includes for purposes of historical comparison and statistical convenience the production of lignite.

†Total barrels produced during the week converted into equivalent coal assuming 6,000,000 b.t.u. per barrel of oil and 13,100 b.t.u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal. (Minerals Yearbook, 1939, page 702).

‡Subject to revision.

§Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE
(In Net Tons)

	Week Ended			Calendar year to date		
Penn. anthracite—	§Apr. 11 1942	Apr. 4 1942	Apr. 12 1941	Apr. 11 1942	Apr. 12 1941	Apr. 13 1929
*Total, incl. colliery fuel	1,112,000	880,000	634,000	15,915,000	15,140,000	20,730,000
†Commercial production	1,056,000	836,000	602,000	15,119,000	14,383,000	19,237,000
Beehive coke—						
United States total	151,900	148,700	7,000	2,145,600	1,665,200	1,780,500
By-product coke—						
United States total	1,157,200	1,169,200	‡	16,877,500	‡	‡

*Includes washery and dredge coal, and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Comparable data not available. §Subject to revision.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES
[In Thousands of Net Tons]

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

	Week Ended					¶April avge.
State—	Apr. 4 1942	Mar. 28 1942	Apr. 5 1941	Apr. 6 1940	Apr. 3 1937	1923
Alaska	3	2	5	2	2	**
Alabama	354	385	100	267	239	412
Arkansas and Oklahoma	48	41	18	11	38	70
Colorado	107	130	61	86	125	184
Georgia and North Carolina	1	1	††	1	††	**
Illinois	1,133	1,122	342	660	933	1,471
Indiana	425	470	175	285	324	514
Iowa	59	58	27	41	75	100
Kansas and Missouri	150	159	115	95	159	138
Kentucky—Eastern	881	850	236	588	648	620
Kentucky—Western	209	211	255	121	203	188
Maryland	40	45	9	28	47	52
Michigan	5	7	8	7	4	22
Montana	63	70	54	57	49	42
New Mexico	26	27	18	21	32	59
North and South Dakota	50	37	24	34	35	**16
Ohio	593	726	148	328	390	766
Pennsylvania bituminous	2,673	2,868	687	1,780	1,772	3,531
Tennessee	129	152	57	109	106	121
Texas	6	8	7	15	14	20
Utah	64	92	25	42	57	70
Virginia	393	353	131	230	213	249
Washington	29	32	31	29	26	35
*West Virginia—Southern	2,128	2,250	465	1,513	1,249	1,256
†West Virginia—Northern	816	912	215	520	430	778
Wyoming	115	140	105	83	71	116
‡Other Western States	††	2	††	††	††	**6
Total bituminous coal	10,500	11,150	3,327	6,953	7,241	10,836
§Pennsylvania anthracite	880	1,158	655	709	1,092	1,974
Total, all coal	11,380	12,308	3,982	7,662	8,333	12,810

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona, California, Idaho, Nevada, and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Average weekly rate for entire month. **Alaska, Georgia, North Carolina, and South Dakota included with "other Western States." ††Less than 1,000 tons.

Bank Debits Up 13% From Last Year

Bank debits as reported by banks in leading centers for the week ended April 15 aggregated $10,875,000,000. Total debits during the 13 weeks ended April 15 amounted to $141,028,000,000, or 14% above the total reported for the corresponding period a year ago. At banks in New York City there was an increase of 5% compared with the corresponding period a year ago, and at the other reporting centers there was an increase of 19%.

SUMMARY BY FEDERAL RESERVE DISTRICTS
[In millions of dollars]

	Week Ended		13 Weeks Ended	
Federal Reserve District—	Apr. 15, 1942	Apr. 16, 1941	Apr. 15, 1942	Apr. 16, 1941
Boston	660	573	8,369	7,016
New York	4,180	3,722	54,199	51,072
Philadelphia	553	501	7,542	6,595
Cleveland	815	788	10,297	8,780
Richmond	448	375	5,811	4,808
Atlanta	374	318	4,935	4,049
Chicago	1,673	1,486	21,992	18,965
St. Louis	357	309	4,622	3,755
Minneapolis	214	172	2,599	2,065
Kansas City	349	318	4,517	3,679
Dallas	294	259	3,823	3,114
San Francisco	957	798	12,323	10,105
Total, 274 reporting centers	10,875	9,620	141,028	124,004
New York City*	3,807	3,398	49,021	46,639
140 other centers*	6,091	5,387	79,379	67,057
133 other reporting centers	977	835	12,628	10,309

*Included in the national series covering 141 centers, available beginning with 1919.

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	*Orders Received Tons*	*Production Tons*	*Unfilled Orders Remaining Tons*	*Percent of Activity* Current	Cumulative
1941—Month of—					
January	673,446	629,863	202,417	75	--
February	608,521	548,579	261,650	81	--
March	652,128	571,050	337,022	82	--
April	857,732	726,460	447,525	83	--
May	656,437	602,323	488,993	84	--
June	634,684	608,995	509,231	88	--
July	509,231	807,440	737,420	86	--
August	659,722	649,031	576,529	94	--
September	642,879	630,524	578,402	94	--
October	839,272	831,991	568,264	99	--
November	640,188	649,021	554,417	98	--
December	743,637	760,775	530,459	93	--
1942—Month of—					
January	673,122	668,230	528,698	102	--
February	640,269	665,689	493,947	101	--
March (5 weeks)	781,805	838,298	436,029	101	--
1941—Week Ended—					
Oct. 4	176,619	168,256	582,287	100	85
Oct. 11	159,337	164,374	575,627	99	85
Oct. 18	167,440	165,795	574,991	98	86
Oct. 25	165,279	168,146	568,161	100	86
Nov. 1	170,597	165,420	568,264	99	86
Nov. 8	169,585	159,860	576,923	97	86
Nov. 15	156,394	165,397	570,430	99	87
Nov. 22	145,098	160,889	550,383	96	87
Nov. 29	169,111	164,875	554,417	101	87
Dec. 6	181,185	166,080	567,373	102	87
Dec. 13	149,021	163,226	553,389	101	88
Dec. 20	149,874	166,948	535,556	101	88
Dec. 27	116,138	124,258	523,119	76	88
1942—Week Ended—					
Jan. 3	147,419	140,263	530,549	86	88
Jan. 10	162,493	166,095	527,514	101	--
Jan. 17	167,846	165,360	525,088	102	102
Jan. 24	161,713	169,735	514,622	101	102
Jan. 31	181,070	167,040	528,698	101	102
Feb. 7	162,894	168,424	522,320	101	102
Feb. 14	156,745	167,424	510,542	101	102
Feb. 21	157,563	165,240	496,272	102	102
Feb. 28	163,067	164,601	493,947	100	102
Mar. 7	177,823	165,081	505,233	101	101
Mar. 14	140,125	166,130	476,182	100	101
Mar. 21	157,908	169,444	465,439	101	101
Mar. 28	144,061	168,394	442,556	100	101
Apr. 4	161,888	169,249	436,029	100	101
Apr. 11	145,000	153,269	428,322	93	101

Note—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled stock, and other items made necessary adjustments of unfilled orders.

Fertilizer Ass'n Price Index Again Higher

The general level of wholesale commodity prices was again higher last week, according to the price index compiled by The National Fertilizer Association April 20. In the week ended April 18, 1942, this index rose to 127.7% of the 1935-1939 average, compared with 126.8 in the preceding week. A month ago the index was 124.0 and a year ago, 104.4.

The gain in the all-commodity index was the net result of substantial increases in food and building material prices. In the food group advancing quotations were registered by 12 items while only 4 declined, causing another marked rise in the food price index. The price of southern pine was adjusted to a new ceiling level. This advance combined with an increase in brick was responsible for a sharp upturn in the building material price average. Small increases were registered by the indexes of chemical and drugs and miscellaneous commodities. The farm product index lost most of the previous week's gain as cotton, grains, and most livestock quotations dropped off. Prices of cotton goods moved back to the level of two weeks ago, raw cotton likewise was lower in price, more than offsetting increases in woolen yarn quotations, and resulting in the textile price index easing off slightly.

During the week price changes in the index were nearly evenly balanced, with 25 price series advancing and 26 declining; in the preceding week there were 28 advances and 8 declines; in the second preceding week there were 25 advances and 11 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
[*1935-1939 = 100]

% Each Group Bears to the Total Index	Group	Latest Week Apr. 18 1942	Preceding Week Apr. 11 1942	Month Ago Mar. 14 1942	Year Ago Apr. 19 1941
25.3	Foods	125.6	124.6	121.6	99.0
	Fats and Oils	138.0	137.3	136.1	98.1
	Cottonseed Oil	159.3	159.0	159.0	104.5
23.0	Farm Products	137.7	138.7	133.8	99.4
	Cotton	193.3	194.5	183.8	105.7
	Grains	113.9	115.3	119.8	92.3
	Livestock	133.0	133.8	127.0	99.0
17.3	Fuels	117.4	117.4	113.3	102.2
10.8	Miscellaneous commodities	128.3	128.0	127.5	114.5
8.2	Textiles	149.5	149.7	146.9	120.5
7.1	Metals	104.4	104.4	104.4	103.4
6.1	Building materials	151.7	140.0	139.6	118.1
1.3	Chemicals and drugs	120.7	120.3	120.3	104.9
.3	Fertilizer materials	118.7	118.7	118.9	107.0
.3	Fertilizers	115.3	115.3	115.3	101.2
.3	Farm machinery	104.1	104.1	103.8	99.7
100.0	All groups combined	127.7	126.8	124.0	104.4

*Indexes on 1926-1928 base were: April 18, 1942, 99.5; April 11, 1942, 98.8; April 19, 1941, 81.3.

NYSE Annual Shows Drop In Secur. Business

Member firms of the New York Stock Exchange decreased last year from 591 as of Jan. 1, 1941, to 557 on Jan. 1, 1942; branch offices were reduced from 978 to 868, and non-member correspondent firms, which maintain direct wire connections with members, declined from 3,026 to 2,606, according to the Stock Exchange Year Book, just published. Branch offices of member firms as of Jan. 1, 1942, were located in 349 cities in 44 States, two territories and five foreign countries.

During 1941, 627 of the 834 common stock issues listed on the Exchange paid cash dividends aggregating $2,280,654,000 and 322 of the 398 listed preferred stock issues paid dividends aggregating $360,367,000—a total of $2,641,021,000. Of these same issues, 583 common stocks paid dividends in 1940 amounting to $2,104,255,000, and 299 preferred issues paid $330,581,000—a total of $2,434,836,000, according to the "Year Book." As a result of 1941 disbursements, says the "Year Book," dividend paying common and preferred stocks showed a typical yield of 9.3% and 5.9%, respectively, based on year-end profits.

The Year Book shows a list of common stocks listed on the Exchange which have paid cash dividends consecutively for 25 to 94 years. Heading this list is the Pennsylvania Railroad, which made its first payment in 1848, followed by the Continental Insurance Co. (N. Y. and the Corn Exchange Bank Trust Co. of New York, both of which made their first distribution in 1854.

During 1941, the "Year Book" further reveals, 112 applications to list 107 stock and 66 bond issues on the Exchange were approved. Of these 12 applications for 13 stock and 2 bond issues were by companies not previously represented on the Exchange's list.

The reported stock volume on the Exchange in 1941 was 170,603,671 shares, compared with 207,599,749 shares in 1940, while the reported bond volume (par value) was $2,111,805,000, as against $1,669,438,000 in 1940.

For the third successive year the solvency record of New York Stock Exchange members was 100%, against 99.95% for banks and 99.45 for commercial houses.

During 1941 the high price paid for a Stock Exchange membership was $35,000, in January and August, and the low price was $19,000 in December. This compares with a high of $60,000 in 1940 and a low of $33,000.

The "Year Book" also contains the names of the signers of the original "buttonwood tree" agreement, when the Exchange had its origin on May 17, 1792, incident to the 150th anniversary of the Exchange next month.

Also included in the "Year Book" is a list of 87 members of the Exchange and 75 employees of the Exchange who were in the armed or executive service of the Federal Government as of March 15, 1942.

Red Cross War Fund Drive Exceeds Quota

President Roosevelt announced on March 31 that the American Red Cross War Fund Compaign for raising $50,000,000 has passed the goal, with funds aggregating $65,000,000 and additional funds expected. The President praised the response of the American people as magnificent and said it indicated their determination to make any sacrifices necessary to win the war.

The Red Cross campaign for funds started on Dec. 12 and the President's appeal for funds was reported in these columns of Jan. 1, page 34.

Opposes Advancing N.Y. Tax Payment Date

Opposition to a bill in the N. Y. State Legislature advancing the tax payment date of business corporations, taxable under Article 9a of the Tax Law, was expressed on April 7 by the Commerce and Industry Association of New York, Inc. Under the proposed legislation, corporations would be required to pay the first half of the tax on March 15 or seven and one-half months prior to the commencement of the tax year.

In a letter to the Legislature, the Association called the proposal "burdensome and unreasonable," and stated that it will impose hardships upon corporate financing, making the payment of Federal taxes on March 15 more difficult. The Association points out that the business franchise tax was formerly payable on or about Dec. 31. The tax payment date was heretofore advanced so that one-half is now payable on May 15, the second half being payable on Jan. 15 of the following year.

"In these troublesome times," the letter said, "the Legislature should refrain from adding additional burdens upon business now finding it difficult to comply with all of the war-time regulations presently imposed. Instead of advancing the date of payment, the Legislature should aid business by making the tax payment date conform to the year for which the tax is imposed."

Camelback For Tires

Authority under which retreaders and recappers will be able to get initial allotments of camelback for passenger car tires and local rationing boards may issue certificates for purchase of new tubes for List B passenger cars and trucks is contained in Amendment No. 4 to the Revised Tire Rationing Regulations, announced on April 7 by Price Administrator Leon Henderson.

The amendment, which went into effect April 10, prohibits the application of truck type camelback to tires to be used on passenger cars and the application of passenger type material to truck tires.

Explaining the order, the OPA said:

> By the terms of the amendment, a retreader or recapper who as of midnight March 22 had passenger type camelback inventory equal to less than 500 pounds for each mold or curing table in his establishment capable of treading only tires smaller than 7.50-20 can get a certificate for purchase of enough to bring his stock as of March 23 up to that level.
>
> To get such a certificate, he must apply not later than April 30, 1942, to the local rationing board which serves the area in which his principal office is located. Application forms will be furnished by the board any time after the effective date of the amendment.
>
> Taking into consideration the amount of the retreader's inventory as of Mar. 22, the board may issue a certificate which will permit him to buy the difference between that amount and the permitted initial allotment of 500 pounds per mold or curing table which can handle only tires smaller than 7.50-20.
>
> The recipient of such a certificate may use it for purchase of the material from a supplier of camelback any time before June 1, 1942. If one supplier is unable to fill the entire order, the certificate holder may return to the local board which then may issue as many certificates as are necessary to permit spreading the purchase among several suppliers.

Revenue Freight Car Loadings During Week Ended April 11, 1942 Totaled 814,233 Cars

Loading of revenue freight for the week ended April 11, totaled 814,233 cars, the Association of American Railroads announced on April 16. The increase above the corresponding week in 1941 was 134,425 cars or 19.8%, and above the same week in 1940 was 195,128 cars or 31.5%.

Loading of revenue freight for the week of April 11 decreased 14,657 cars or 1.8% below the preceding week.

Miscellaneous freight loading totaled 364,600 cars, a decrease of 12,056 cars below the preceding week, but an increase of 17,183 cars above the corresponding week in 1941.

Loading of merchandise less than carload lot freight totaled 132,367 cars, a decrease of 7,431 cars below the preceding week, and a decrease of 29,300 cars below the corresponding week in 1941.

Coal loading amounted to 160,646 cars, an increase of 12,830 cars above the preceding week, and an increase of 129,054 cars above the corresponding week in 1941 which was affected by strike.

Grain and grain products loading totaled 33,861 cars a decrease of 1,469 cars below the preceding week, but an increase of 165 cars above the corresponding week in 1941. In the Western Districts alone, grain and grain products loading for the week of April 11 totaled 20,976 cars, a decrease of 973 cars below the preceding week, but an increase of 1,040 cars above the corresponding week in 1941.

Live stock loading amounted to 11,117 cars, a decrease of 869 cars below the preceding week, but an increase of 329 cars above the corresponding week in 1941. In the Western Districts alone, loading of live stock for the week of April 11 totaled 8,447 cars, a decrease of 968 cars below the preceding week, but an increase of 436 cars above the corresponding week in 1941.

Forest products loading totaled 46,867 cars, a decrease of 1,548 cars below the preceding week, but an increase of 7,585 cars above the corresponding week in 1941.

Ore loading amounted to 51,007 cars a decrease of 4,037 cars below the preceding week, but an increase of 5,056 cars above the corresponding week in 1941.

Coke loading amounted to 13,768 cars, a decrease of 77 cars below the preceding week, but an increase of 4,353 cars above the corresponding week in 1941.

All districts reported increases compared with the corresponding weeks in 1941 and 1940.

	1942	1941	1940
Five weeks of January	3,858,273	3,454,409	3,215,565
Four weeks of February	3,122,773	2,866,565	2,465,685
Four weeks of March	3,171,439	3,066,011	2,489,280
Week of April 4	828,890	683,402	602,835
Week of April 11	814,233	679,808	619,105
Total	11,795,608	10,750,195	9,932,470

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended April 11, 1942. During this period 90 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED APRIL 11

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1942	1941	1940	1942	1941
Eastern District—					
Ann Arbor	593	575	601	1,391	1,130
Bangor & Aroostook	2,420	2,044	1,904	240	250
Boston & Maine	8,269	8,136	6,619	14,990	12,493
Chicago, Indianapolis & Louisville	1,404	1,038	1,140	1,895	1,949
Central Indiana	26	9	23	61	38
Central Vermont	1,204	1,383	1,285	1,943	2,199
Delaware & Hudson	6,400	4,659	4,463	12,826	8,564
Delaware, Lackawanna & Western	8,164	9,057	8,482	10,012	7,395
Detroit & Mackinac	275	255	242	129	102
Detroit, Toledo & Ironton	2,151	1,480	2,504	1,424	712
Detroit & Toledo Shore Line	379	419	314	3,547	2,300
Erie	14,078	14,236	10,696	15,868	11,228
Grand Trunk Western	4,557	5,988	4,728	8,259	7,888
Lehigh & Hudson River	215	290	259	3,440	2,002
Lehigh & New England	2,210	1,528	1,394	1,699	875
Lehigh Valley	8,860	7,435	7,007	11,811	7,850
Maine Central	2,539	2,830	2,300	4,122	3,548
Monongahela	6,950	315	4,837	382	354
Montour	2,253	25	1,458	28	41
New York Central Lines	47,102	43,938	37,939	55,040	31,460
N. Y., N. H. & Hartford	11,917	10,819	8,758	19,799	15,264
New York, Ontario & Western	956	983	1,062	3,260	2,082
New York, Chicago & St. Louis	7,360	6,023	4,876	14,826	10,425
N. Y., Susquehanna & Western	555	461	392	1,202	1,340
Pittsburgh & Lake Erie	8,389	6,780	5,654	9,495	3,436
Pere Marquette	5,473	6,607	6,171	6,452	5,169
Pittsburgh & Shawmut	639	160	760	36	39
Pittsburgh, Shawmut & North	441	215	389	331	198
Pittsburgh & West Virginia	947	392	909	3,372	1,938
Rutland	487	651	609	1,091	980
Wabash	5,526	5,945	4,954	10,934	8,699
Wheeling & Lake Erie	5,642	3,449	3,294	5,061	3,169
Total	168,381	148,125	136,023	224,966	155,117
Allegheny District—					
Akron, Canton & Youngstown	650	629	513	974	799
Baltimore & Ohio	40,634	28,061	28,437	28,613	16,912
Bessemer & Lake Erie	4,497	2,291	2,243	2,093	1,406
Buffalo Creek & Gauley	*303	3	325	*2	1
Cambria & Indiana	1,818	6	1,330	8	7
Central R. R. of New Jersey	7,721	6,943	5,982	20,106	12,591
Cornwall	672	675	627	76	51
Cumberland & Pennsylvania	312	63	211	32	36
Ligonier Valley	132	46	94	48	38
Long Island	798	843	536	3,285	2,792
Penn-Reading Seashore Lines	1,664	1,561	1,098	2,156	1.646
Pennsylvania System	80,186	63,651	55,148	68,892	40,931
Reading Co.	15,809	15,712	12,555	28,776	15,927
Union (Pittsburgh)	20,466	20,484	13,850	4,901	3,496
Western Maryland	4,533	2,240	3,178	13,437	6,146
Total	180,195	143,208	126,127	173,399	102,779
Pocahontas District—					
Chesapeake & Ohio	28.946	8,713	22,543	13.371	7.710
Norfolk & Western	23,381	7,982	17,690	7,371	5,085
Virginian	4,647	849	3,679	2,127	1,598
Total	56.974	17,544	43.912	22.869	14.393
Southern District—					
Alabama, Tennessee & Northern	361	325	250	440	154
Atl. & W. P.—W. R. R. of Ala.	909	955	761	2,519	1,707
Atlanta, Birmingham & Coast	696	731	598	1,144	1,019
Atlantic Coast Line	13,835	13,292	10,069	9,528	5,965
Central of Georgia	4,415	4,791	3,865	4,324	3,835
Charleston & Western Carolina	429	464	399	1,906	1,374
Clinchfield	1,694	1,521	1,239	2,934	1,789
Columbus & Greenville	328	333	344	257	345
Durham & Southern	163	236	160	555	267
Florida East Coast	2,694	1,092	1,339	1,226	1,071
Gainesville Midland	50	42	36	158	125
Georgia	1,550	1,082	1,029	2,278	2,040
Georgia & Florida	426	404	297	596	595
Gulf, Mobile & Ohio	4,082	4,002	3,425	3,677	3,300
Illinois Central System	27,301	22,306	18,998	14,881	11.922
Louisville & Nashville	26,708	15,281	20,943	10,189	7,281
Macon, Dublin & Savannah	172	179	126	714	782
Mississippi Central	186	189	128	454	403
Nashville, Chattanooga & St. L.	3,174	3,537	3,311	3,817	3,467
Norfolk Southern	1,295	1,402	1,253	1,490	1.010
Piedmont Northern	476	480	395	1,232	1,243
Richmond, Fred. & Potomac	553	378	319	9,969	6.018
Seaboard Air Line	11,591	10,126	9,411	7,267	5,391
Southern System	25,444	23,772	21,250	22,146	15,562
Tennessee Central	736	569	399	965	530
Winston-Salem Southbound	122	147	135	916	805
Total	129,390	107,636	100,329	105,582	78,000
Northwestern District—					
Chicago & North Western	20,176	20,081	13,965	11,922	10,346
Chicago Great Western	2,596	2,508	2,484	2,966	2,969
Chicago, Milw., St. P. & Pac.	20,152	18,995	17,982	9,052	7,991
Chicago, St. Paul, Minn. & Omaha	3,288	3,229	3,191	3,553	4,073
Duluth, Missabe & Iron Range	11,229	16,207	1,001	300	267
Duluth, South Shore & Atlantic	525	417	454	568	562
Elgin, Joliet & Eastern	9,890	9,562	6,475	10,029	5,048
Ft. Dodge, Des Moines & South	617	514	494	153	136
Great Northern	17,382	15,627	9,286	4,162	4,079
Green Bay & Western	552	515	497	696	673
Lake Superior & Ishpeming	1,839	2,474	365	80	72
Minneapolis & St. Louis	2,054	1,602	1,675	2,135	1.992
Minn., St. Paul & S. S. M.	6,919	5,645	4,473	3,063	2,511
Northern Pacific	10,609	9,420	9,208	4,592	3.998
Spokane International	138	153	81	391	393
Spokane, Portland & Seattle	2,718	2,507	1,634	3,147	1,915
Total	110,684	109,456	73,265	56,809	47,025
Central Western District—					
Atch., Top. & Santa Fe System	20,158	20,744	17,679	8,897	7,117
Alton	3,456	3,178	2,521	3,644	2,519
Bingham & Garfield	610	614	559	99	71
Chicago, Burlington & Quincy	15,229	14,296	13,804	9,489	9,022
Chicago & Illinois Midland	2,734	207	1,878	808	808
Chicago, Rock Island & Pacific	9,753	12,262	10,312	9,430	9,537
Chicago & Eastern Illinois	2,431	2,383	2,486	2,880	2,911
Colorado & Southern	835	629	688	1,663	1,667
Denver & Rio Grande Western	2,547	1,283	1,964	4,673	3,069
Denver & Salt Lake	308	161	347	17	8
Fort Worth & Denver City	895	1,122	870	1,095	966
Illinois Terminal	1,819	1,733	1,617	1,929	1,428
Missouri-Illinois	1,267	932	768	443	333
Nevada Northern	1,936	1,941	1,955	123	66
North Western Pacific	999	765	678	397	394
Peoria & Pekin Union	7	5	8	0	0
Southern Pacific (Pacific)	27,264	24,967	22,891	9,502	6,209
Toledo, Peoria & Western	246	334	295	1,006	1,380
Union Pacific System	15,002	14,479	13,160	10,748	8,384
Utah	394	0	227	7	4
Western Pacific	2,095	1,601	1,559	3,611	2,039
Total	109,985	103,636	96,266	70,461	57,932
Southwestern District—					
Burlington-Rock Island	129	157	140	167	217
Gulf Coast Lines	4,717	3,774	2,657	2,577	1,708
International-Great Northern	1,961	1,845	1,542	2,860	2,361
Kansas, Oklahoma & Gulf	256	287	246	861	875
Kansas City Southern	4,353	2,263	1,950	2,455	2,462
Louisiana & Arkansas	2,936	2,169	1,816	1,764	2,031
Litchfield & Madison	370	286	374	937	912
Midland Valley	453	452	484	224	264
Missouri & Arkansas	183	173	139	376	340
Missouri-Kansas-Texas Lines	5,428	4,147	3,489	3,950	3,263
Missouri Pacific	14,538	13,192	11,832	14,298	10,683
Quanah Acme & Pacific	124	135	70	171	134
St. Louis-San Francisco	7,602	7,035	6,293	7,148	5,409
St. Louis Southwestern	2,755	2,699	2,133	4,884	2,949
Texas & New Orleans	9,033	7,516	6,120	4,455	3,701
Texas & Pacific	3,663	3,938	3,559	5,236	4,204
Wichita Falls & Southern	94	119	131	66	82
Weatherford M. W. & N. W.	29	16	8	18	35
Total	58,624	50,203	43,183	52,447	41,630

*Previous figures.

Note—Previous year's figures revised.

March Chain Store Sales $384,956,794

According to a compilation made by Merrill Lynch, Pierce, Fenner & Beane, 30 chain store companies, including two mail order companies, reported an increase of 24.6% in sales for March, 1942. The same companies reported an increase of 27.7% in sales for the first three months of 1942.

As in previous months, anticipation of future goods shortages made a major contribution to sales gains in March. The earlier Easter date this year also had a stimulating effect and, for this reason, increases to be reported for the current month are likely to prove less impressive. Companies specializing in wearing apparel led the field again in March. Six general apparel chains had an aggregate sales increase of 47.5% and were followed closely by three shoe chains with an aggregate sales gain of 44.3%. At the other extreme, the combined sales of two drug chains were only 9.9% in excess of those for the same month in 1941.

	Month of March			3 Mos. Ended Mar. 31		
Sales—March—	1942	1941	% Inc.	1942	1941	% Inc.
5 Grocery chains	$90,708,359	$70,279,704	29.1	$265,923,910	$201,000,373	32.3
11- 5-&-10c chains	86,479,968	73,502,849	17.7	240,297,181	197,944,767	21.4
6 Apparel chains	50,550,696	34,282,393	47.5	132,219,297	88,981,640	48.6
2 Drug chains	9,974,413	9,078,043	9.9	29,507,027	25,983,915	13.6
3 Shoe chains	9,772,879	6,770,640	44.3	21,954,239	16,916,670	29.8
1 Auto supply	5,576,000	4,124,000	35.2	14,943,000	11,309,000	32.1
28 Chains	$253,062,315	$198,037,629	27.8	$704,844,654	$542,136,365	30.0
2 Mail orders	131,894,479	110,866,089	19.0	343,015,672	278,164,392	23.3
30 Companies	$384,956,794	$308,903,718	24.6	$1,047,860,326	$820,300,757	27.7

Steel Production Gains—War And Lease-Lend Orders Crowd Mills—Scrap Relief Seen

When the flow of war goods from U. S. plants reaches the level where the Government is hard pressed to finding storing and shipping space, industry will know that the job set up for it is on the way to being done, states "The Iron Age" in its issue of today (April 23): This week brought new evidence that the flood is not far off and that within a reasonably short time the emphasis may shift from intensifying manufacture of war implements to speeding their transport to battle areas, continues the "Age", which further says in part:

"War goods are piling up at the docks on both Coasts and are backing up at some inland war plants. For example, 40,000 military trucks are standing at a single East Coast port waiting for ships. At one inland plant there are 30,000 combat vehicles ready to be shipped. Thousands of trucks, many of them intended for use in Russia, have been stocked.

"Soon the surplus of war goods, which involves other factors than ship sinkings, will spread from combat vehicles, in which a tremendous flow might be expected, to other war materials and implements. Already a few plants are said to fear that they soon will receive 'stop production' orders or 'slow-down' orders.

"This week steel production in the U. S., according to 'Iron Age' estimates, rebounded a point to 99% of capacity, equalling in actual tonnage, the all-time high of two weeks ago. For the most part, the recovery was the result of returns to operation of furnaces that have been off for repairs. Scrap is moving more freely than in many months, although constant pressure is required to keep sufficient quantities going into the plants. Allocations and spring weather are factors in this improvement. Producers in one area have been getting a little more scrap than they are using, permitting, in this one case, the accumulation of a small stock.

"Latest development in the scrap market is court action against two steel companies, a broker and 24 dealers in an effort by OPA to insure an 'orderly' market. Bright spots in the scrap supply picture are the planned addition of two openhearths to the active list at an Ohio steel plant, an increase in slag dump 'mining' operations and invaluable contributions from public scrap drives such as that at Buffalo where 65,000 tons is reported uncovered.

"The scrap shortage should be relieved by next December with the aid of increased blast furnace output, C. M. White, Republic Steel Corp. Vice President, said this week at Cleveland. He estimated that the steel industry is now 3,100,000 net tons short of having enough scrap."

The American Iron and Steel Institute on April 20 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 97.6% of capacity for the week beginning April 20, compared with 97.2% one week ago, 99.0% one month ago and 96.0% one year ago. This represents an increase of 0.4 point or 0.4% from the preceding week. The operating rate for the week beginning April 20 is equivalent to 1,657,900 tons of steel ingots and castings, compared to 1,651,100 tons one week ago, 1,681,600 tons one month ago, and 1,549,300 tons one year ago.

"Steel," of Cleveland, in its summary of the iron and steel markets on April 20 stated in part: "Delivery promise on steel below A-1 priority is virtually impossible to obtain under present circumstances and early delivery requires priority well up in this classification.

"Concentration of steel consumption in war work, reflecting conversion of civilian facilities to essential production, is largely responsible for the large proportion of orders bearing high rating. Practically no requests now are received by mills for material on low priority, cessation of manufacture of a large number of durable consumer goods cutting them to a minimum.

"Scrap supply is keeping up the improvement of the past few weeks but increased consumption is preventing accumulation in reserves. Not all areas are receiving sufficient material and some open hearths continue idle.

"Pig iron producers have been given relief by OPA from the necessity of absorbing increased transportation costs involved in shipments under allocation to points outside their usual market areas. A new ruling permits producers in case of such shipments, due to emergency conditions, to charge the basing point price, plus differentials established in the schedules and freight charge from basing to delivery point, with deduction of $1 per gross ton.

"Requests for pig iron allocations under priorities below the A classifications have practically disappeared, consumers being increasingly engaged in production of war work.

"Office of Price Administration has opened the door for applications for relief from the $6 ceiling on beehive fuel. The producer must show that net realization is insufficient to support continued operation at the maximum price.

"Composite prices continue unchanged under ceiling regulations. finished steel at $56.73, semi-finished steel at $36, steelmaking pig iron $23.05 and steel making scrap $19.17."

Commercial Paper Outstanding

The Federal Reserve Bank of New York announced on April 14 that reports received by the bank from commercial paper dealers show a total of $384,300,000 of open market paper outstanding on March 31. This amount compares with $388,400,000 of commercial paper outstanding on Feb. 28 and with $263,300,000 on March 31, 1941.

In the following table we give a compilation of the monthly figures for two years:

	$		$
1942—		1941—	
Mar. 31	384,300,000	Mar. 31	263,300,000
Feb. 28	388,400,000	Feb. 28	240,700,000
Jan. 31	380,600,000	Jan. 31	232,400,000
1941—		1940—	
Dec. 31	374,500,000	Dec. 31	217,900,000
Nov. 29	387,100,000	Nov. 30	231,800,000
Oct. 31	377,700,000	Oct. 31	252,400,000
Sept. 30	370,500,000	Sept. 30	250,700,000
Aug. 30	353,900,000	Aug. 31	244,700,000
July 31	329,900,000	July 31	232,400,000
June 30	299,000,000	June 29	224,100,000
May 31	295,000,000	May 31	234,200,000
Apr. 30	274,600,000	Apr. 30	238,600,000

Subscription and Allotment Figures On Treasury Certificate Offering

Final figures on the recent offering of ½% Treasury certificates of indebtedness, of Series A-1942, were revealed by the Treasury Department on April 16, indicating that total subscriptions received were $3,062,250,000, of which $1,507,000,000 were allotted. Preliminary results of the offering, made on April 3, were given in these columns of April 16, page 1540.

Final subscription and allotment figures with respect to the current offering of ½% Treasury certificates of indebtedness of Series A-1942.

Subscriptions and allotments were divided among the several Federal Reserve Districts and the Treasury as follows:

Federal Reserve District—	Total Subscriptions Received	Total Subscriptions Allotted
Boston	$212,414,000	$104,289,000
New York	1,724,584,000	832,804,000
Philadelphia	111,799,000	55,613,000
Cleveland	150,548,000	75,334,000
Richmond	77,737,000	39,828,000
Atlanta	73,532,000	37,200,000
Chicago	368,055,000	185,568,000
St. Louis	71,103,000	37,386,000
Minneapolis	50,052,000	27,087,000
Kansas City	44,835,000	23,493,000
Dallas	47,634,000	24,526,000
San Francisco	129,772,000	63,774,000
Treasury	185,000	98,000
Total	$3,062,250,000	$1,507,000,000

From Washington

(Continued from First Page)

After the last war, our great enterprising American press established correspondents all over Europe, relatively few of whom made any pretense of being able to speak the language of the country which they so graphically wrote about. When you consider the difficulty you have in making a man fully understand you across the table, you can imagine how informative must have been the work of the correspondents We became quite Europe conscious. American widows having been left competences and men who had acquired them retired in droves to France where the rate of exchange stretched out their competences appreciably Tourists went over to Europe by thousands and saw post cards of a "workers' housing project" here and there and marvelled about how "socially advanced" and "socially conscious" the European countries were. They saw factories in Russia and wondered why we didn't have factories in this country; whenever they saw a building being erected they marvelled at what could be done in a country where there was a "plan"—planning by the Government.

We never noticed the new house going up next door over here, a new plant made no impression on us. The fellow next door could die and leave his family in straightened circumstances. We would know nothing about it but we became terribly excited about a street brawl in Bratislavia.

When you stop and think, in fact, just how far we have advanced in our first spree of occupying our rightful place in world affairs, etc., etc., it almost takes your breath to contemplate what will happen now that we are officially to do it, that we are to do it at least with the blessing of the New Deal and the Republican National Committee meeting in Chicago. Frankly, it is a rather awesome spectacle.

It is even more awesome when you consider the particular agency which the New Deal has set up for us to occupy our rightful place in the world with, the Economic Warfare Board under that great linguist and philanthropist, Henry Wallace. The present name of the agency is really a misnomer. It should be called The Board to Occupy Our Rightful Place in World Affairs, BOORPWA. Another American philanthropic agency, the Rockefeller Foundation, of course, has been doing wonders for mankind all over the world these many years but its work could hardly be called an official occupying of our rightful place, etc.

Some light might be thrown on the difference between an official occupying and unofficial occupying by studying a statement issued when the job of buying up strategic materials was recently taken from Jesse Jones and given to Henry. The necessity for doing this, it was explained, was speed. For example, a U. S. agent might be walking down the streets of Turkey and he would see, probably in a window display, some strategic materials. Well, the idea in a case of this kind is to buy those materials before the Axis can buy them. This is what is known, it was explained patiently, as "preclusive" buying one of the cutest little words the New Deal has ever dug up. Under the old order, before this agent could do anything he would have to take it up with Washington and then as apt as not, Jesse would inquire about the price. But now, all the agent has to do is to take out a Government check book and buy the stuff on the spot. It is truly amazing how our people can swing into action when they have been sufficiently provoked, or at least, how their Government can swing into it.

I imagine that all these years the Rockefeller Foundation would first look over the ground before it began throwing its money around. We can't be wasting time like that in an official occupying of our rightful place in world affairs.

In one respect I suppose our occupying our rightful place henceforth and our occupying i in the past will be the same. For 25 years our "Liberals" have hounded the life out of American investors who built up plants in foreign countries, help develop the resources of those countries Very likely we shall pursue this policy.

Fin. Advertisers Clinic

Victor Cullin, President of the Financial Advertisers Association. has announced that its members will get together for a Clinic for the 27th year in Chicago at the Edgewater Beach Hotel on Oct 26, 27, and 28. L. E. Townsend Vice-President of the Association and Assistant Vice-President of the Bank of America, San Francisco, who is General Chairman of the Convention this year. states, that since this is war time there will be no time for entertainment, golf tournaments or other usual convention diversions. While the Advertisers Association Conventions in the past have been sessions of study and work interspersed with a limited amount of entertainment, this year the entire three-day program will get right down to real clinics and conferences where men work with feverish heat and produce results.

Guy W. Cooke, Assistant Cashier of the First National Bank of Chicago, is General Chairman of the Chicago group to make all the local arrangements for the convention.

League Loans In Default

The League Loans Committee (London) comprised of British, American, Dutch and Swiss members and representatives of holders of the League of Nations Loans issued by Austria, Bulgaria, Danzig, Estonia, Greece and Hungary (total issued £81,000,000), state in their ninth report, covering the period July, 1940, to February, 1942, that as a result of the extension of the war in Europe the service of the greater part or the whole of the bonds of each of the League Loans is in default. The work of the Committee has been directed towards mitigating the effects of these defaults, making interim arrangements where possible, and safeguarding the bondholders' formal position. The announcement adds:

> Estonia always maintained the full service of her League Loan up to July, 1940, but in that month the Loan fell into complete default after the incorporation of Estonia in the Soviet Union.
>
> Greece made regular provision for payments of 43% of the interest in accordance with the arrangement of January, 1940 up to April, 1941, and the interest service broke down only after the invasion of Greece by Germany. In February, 1942, the Greek Government in London informed the Committee that it was compelled to prolong the suspension of payments forced upon it in April, 1941, but assured them that as soon as possible after the liberation of Greece and the establishment of a measure of economic recovery, it would re-examine the situation and collaborate with the bondholders in order to reach an equitable settlement.
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> Hungary defaulted on the 1937 Settlement of her League Loan in October, 1940, but subsequently concluded separate arrangements for the service with some of the creditor countries so that the default was limited to certain of the branches only.
>
> Burgaria and Danzig remained in complete default.

The report was released on behalf of Eliot Wadsworth, American Member League Loans Committee.

President Signs Bill On Marine War Risk Ins.

President Roosevelt signed on April 11 the bill amending the war risk insurance provisions of the Merchant Marine Act, 1936, so as to permit the Maritime Commission to insure vessels, cargo, and personnel of both American and foreign-flag ships.

Congressional action was completed on April 6. The measure passed the House on March 19 and was approved by the Senate in amended form on April 3; the House agreeing to the Senate changes on April 6. The Maritime Commission's authority to write marine war risk insurance and reinsurance is broadened by the legislation to include any vessel, foreign or domestic, insofar as they are concerned with the war program. Under existing law the Commission is limited to insuring only vessels of United States registry, and then only when it found adequate insurance at reasonable rates was not available through regular commercial companies.

Mother's Day May 10

President Roosevelt, in a proclamation issued April 8, designated Sunday, May 10, as Mother's Day and called upon the people "to express the love and reverence which we feel for the mothers of our country by the customary display of the flag at our homes and other suitable places and by tokens and messages of affection."

Items About Banks, Trust Companies

The Directors of J. Henry Schroder Banking Corporation of New York on April 14 elected the following officers: B. Alden Cushman, Assistant Secretary; John E. McNamara and Peter C. A. Carpenter, Assistant Treasurers. The Directors of Schroder Trust Company elected J. Marc Gardner, formerly Assistant Treasurer, to be Assistant Vice-President. R. Canon Clements was elected Assistant Treasurer.

William G. Green, President of the New York Savings Bank, has announced that after more than eight months of delay, while allowing war-related orders to take precedence, the bank has completed its greatly enlarged quarters at Eighth Ave. and 14th St., New York City. The celebration, which was held April 17 and April 18, commemorated the bank's 88th anniversary as well as the official opening of the enlarged quarters. It is announced that the bank's statement for April 1 showed that over 40% of the total deposits of the bank have already been loaned to the Government through bond purchases.

Roger Topp, Vice-President of the Public National Bank of New York, died suddenly on April 20, after a brief illness at the Memorial Hospital. Born in Columbus, Miss., in 1885, Mr. Topp after attending public and high schools in New York City, entered Stanford University, California, where he was a member of the D. K. E. Fraternity, graduating in 1908. After various activities which took him abroad for extensive periods, he joined the official staff of the National Bank of Commerce in New York, New York, where he remained from February, 1923, until April, 1929. Following this, he became Assistant Vice-President of The Public National Bank and Trust Co. of New York, and in 1931 was appointed Vice-President of that Institution.

At a meeting of the Board of Directors of the Peoples National Bank of Brooklyn, on April 16, Arthur W. Spolander was elected President to succeed the late George W. Spence. Mr. Spolander was formerly Vice-President and Trust Officer and has been associated with the bank for 33 years. He has also held the office of Assistant Cashier and Cashier. He was elected a Director of the bank in September, 1941. At the same meeting, Charles Oldenbuttel was elected Vice-President and Cashier, William H. Schmidt was appointed Trust Officer and Assistant Cashier, and William G. Kaufmann Assistant Cashier and Assistant Trust Officer.

George P. Kennedy, President of the Lafayette National Bank of Brooklyn, in New York, announced on April 14 that George D. Atwood, President of the Decorated Metal Manufacturing Co. of Brooklyn, has been elected a Director of the bank. Mr. Atwood is a Director of the Brooklyn Chamber of Commerce and was formerly President of the Brooklyn Club.

Frederick Gretsch, Jr., Treasurer of the Fred Gretsch Manufacturing Co., has been elected a Trustee of the Lincoln Savings Bank of Brooklyn. Mr. Gretsch is a son of the bank's President.

The Rochester Trust & Safe Deposit Co., Rochester, N. Y., has received permission from the State Banking Department to increase its capital stock and to reclassify its shares, from $1,000,000, consisting of 50,000 shares of the par value of $20 each, to $1,660,000, consisting of 10,000 shares of convertible preferred stock of the par value of $50 each and 58,000 shares of common stock of the par value of $20 each.

Thomas L. Pierce, President of the Providence National Bank of Providence, R. I., has announced that at a regular meeting of the Board of Directors on April 6, Rupert C. Thompson, Jr., was elected First Vice-President and a Director of the bank.

The Manufacturers National Bank of Detroit, in its report of condition as of April 4, 1942, shows total assets of $264,998,986 and total deposits of $254,716,684, which compares with $211,701,234 and $201,573,718, respectively, on Dec. 31, 1941. Cash, balances with other banks, including reserve balance, and cash items in process of collection, are listed in the latest statement at $102,682,947, compared with $95,291,971; United States Government obligations, direct and guaranteed, are given as $103,974,298, against $68,796,901, and loans and discounts (including $18,683 overdrafts) total $37,718,601, compared with $36,724,738 on the earlier date. The bank's total capital accounts stands at $9,683,791, consisting of $3,000,000 of common stock, $4,500,000 surplus, $1,661,088 undivided profits and $522,703 in reserves. At the close of 1941 the capital account was $9,609,579.

Negotiations leading to the closing of the largest bank receivership in the history of the United States, the First National Bank of Detroit, Detroit, Mich., were announced on April 10 in a joint statement issued by the Comptroller of the Currency, Preston Delano, and Senator Prentiss M. Brown of Michigan. The remaining assets of this receivership, it is announced, which had an original book value of over $500,000,000, will be disposed of through a bulk sale to a group representative of Detroit's leading industries. This group is headed by Joseph B. Schlotman, Chairman of the E. L. Ford Co.

The Treasury's announcement in the matter further said:

> Under the plan contemplated, the depositors, all of whom have already had returned to them 100% of their funds in the bank at the time of closing, will be offered the option of an immediate payment of a substantial interest dividend on the principal amount of their deposits, or the opportunity to participate in the further liquidation by the Committee of the bank's remaining assets. Any values remaining after the claims of depositors have been settled will inure to the bank's stockholders.
>
> The Comptroller of the Currency, the statement said, has accepted the offer of the Committee, which must be submitted to the courts for final approval.
>
> While the asset liquidation of the bank has been substantially completed, there remains a large volume of assets of various types, it was said, including 2,000 parcel of improved real estate; more than 8,000 real estate contracts for sale and many hundreds of notes, judgments, and other types of assets.
>
> The statement declared that the tentative agreement reached between the Comptroller of the Currency and the Committee would permit the receiver to pay about two-thirds of all interest accrued on deposit claims since the bank suspended business on Feb. 11, 1933.

The First National Bank, Detroit, had deposits of more than $400,000,000 divided among more than 600,000 depositors when it folded its doors. Depositors holding claims under $300 got 100% on their money in 1935 by the sale of their claims to a syndicate of large depositors. These claims numbered about 450,000.

During the nine years the bank was in receivership all depositors received 100% of their claims. Presently their only interest in the bank's assets is through the medium of interest accrued on deposits since the date of suspension nine years ago.

The receivership has been administered by B. C. Schram since 1933.

The Clark County National Bank of Vancouver, Washington, has announced the increase of its capital from $100,000 to $150,000 and its surplus from $100,000 to $125,000. These amounts, together with undivided profits of $41,891.38 provide a total capital structure of $316,891.38. The announcement also says:

> The Vancouver, Washington, area has enjoyed a substantial increase in industrial, commercial, and agricultural activities. Deposits of the Clark County National at the time of recent call April 4 had reached an all-time high of $4,488,568.48.

The bank is an associate of the United States National Bank of Portland, Ore.

U. S., Mexico Agree On Oil Settlement

The State Department at Washington announced on April 18 that the joint Mexican-American commission on oil expropriations has fixed a value of $23,995,991 as full and final settlement of claims of American oil properties expropriated by Mexico in 1938.

The two experts who comprised the joint commission — M. L. Cooke, representing the United States, and Manuel J. Zebada for Mexico—agreed that this money shall be paid by Mexico to the United States Government on behalf of the claimants. The agreement provides that the money be allocated as follows:

> Standard Oil of New Jersey group, $18,391,641; Standard Oil of California group, $3,589,158.
>
> Consolidated Oil Co., $630,151.
>
> Sabalo group, $897,671.
>
> Seaboard group, $487,370.

The companies, it is stated, are not obliged to accept the commission's findings. The experts were appointed by the two governments under a plan worked out last November to settle the long-standing dispute. At that time the principal oil groups voiced their objection to the proposed plan for settlement; referred to in these columns Nov. 27, 1941, page 1248.

According to Washington advices of April 18 to the New York "Herald-Tribune," the five-point agreement between the United States and Mexico provides:

> 1. The Government of the United Mexican States shall pay to the Government of the United States of America, on behalf of the above-mentioned claimants, the amount of $23,995,991, in accordance with schedule of payments finally approved by the two governments.
>
> 2. Before any payment is made on account of these awards, the corporations affected shall deposit in escrow and when final payment has been made, shall deliver to the Government of Mexico all documents and instruments of title pertaining to the expropriated properties.
>
> 3. The Government of Mexico and each of the said claimants shall release each other respectively of all reciprocal claims that may still be pending against one another, with the exception of those of the Mexican Government against the companies for unpaid taxes and duties, as well as those based on payments legally made by the Mexican Government for the account of the said companies.
>
> The Mexican Government will assume liability for all private claims which may be instituted after this date by private individuals against these companies as a result of expropriation, but not for the private claims against these companies now pending before the Mexican courts.
>
> 4. Recommendation is hereby made that the amount determined be paid as follows: one-third on July 1, 1942, and the balance in five (5) equal annual installments, payable on July 1 of each subsequent year.
>
> 5. All balances as shown to be due these said claimants on the several dates prescribed shall bear interest at the rate of 3% a year, dating from March 18, 1938.

FDR May Visit Canada To Talk Air Training

Prime Minister W. L. Mackenzie King of Canada revealed in Washington on April 17 that President Roosevelt hopes to visit Ottawa within the next few weeks and perhaps address a joint session of the Canadian Parliament.

Prime Minister King made this disclosure at the conclusion of his discussions on the joint war effort with the President, which had been in progress for three days.

Joint announcement was made at the same time by the President and Prime Minister that a conference on the United Nations air training programs will be held early in May in Ottawa. The joint statement said:

> The purpose of the meeting lies along the lines of further united military efforts. The meeting in Ottawa would extend the air programs to take in the training of personnel to operate the military aircraft to the end that the most effective use will be made of all resources of personnel.
>
> Great progress has already been made in pooling the airplane production of the United Nations.
>
> Plans for the conference developed out of the recognition of the desirability of more closely coordinating the British Commonwealth (including Britain, Canada, Australia and New Zealand) air training plan with the greatly extended air training program undertaken by the United States and others of the United Nations. In addition this would include China, Norway, the Netherlands and several others which are already at war with the Axis.

Prime Minister King returned to Ottawa on April 19.

Fire On S.S. Normandie Due To Carelessness

A House Naval Affairs subcommittee formally reported on April 15, after a two-month investigation, that the cause of the fire on the former French liner Normandie, in New York harbor on Feb. 9, was "directly attributable to carelessness and lack of proper supervision."

While sabotage was not held responsible for the disaster which later resulted in the ship capsizing, the subcommittee said that "opportunities for sabotage, or almost any subversive activity, were, however, abundant." In submitting the report to the full Naval Committee, the House group criticized Governmental handling of the Naval auxiliary vessel which was being converted for war use and disclosed that the ship was scheduled to sail on Feb. 14.

Reserve Banks Ask For Details on Loans

The Board of Governors of the Federal Reserve System have undertaken to make a nation-wide survey of commercial and industrial loans to be made by member banks between April 16 and May 15, inclusive. The New York Federal Reserve Bank and the other Reserve Banks sent out the loan questionnaire to their respective members over the week-end. It is explained that the purpose of this survey is to provide information, now unavailable, concerning the kinds of loans that are currently being made by banks.

Officials of New Listed Companies Visited NYSE

Coincident with the admission to trading on April 20 of the common stocks of American Export Lines and Hayes Industries, the New York Stock Exchange was host to officers of those companies who talked with the specialists in their securities, watched the opening of the market, and were luncheon guests of Emil Schram, President of the Exchange, and Robert L. Stott, Chairman of the Board. The Exchange announcement states:

> American Export Lines was represented by John E. Slater, Executive Vice-President, and Hugh M. Gillespie, Vice-President, Secretary and Treasurer. The officers of Hayes Industries, who came on from Jackson, Mich., for the occasion, included C. B. Hayes, President; Charles Hollerith, Vice-President; E. C. Hetherwick, Secretary and Treasurer; Leland S. Bisbee, Director, and Don T. McKone, also a Director.
>
> American Export Lines is a shipping and commercial airline company, and Hayes Industries manufactures fans, aircraft wheels, brakes and under-carriages.

Gannett Papers Up Prices

The Gannett Company, Inc., Rochester, N. Y., announced on April 17 that nine of 19 associate newspapers would increase daily and weekly circulation rates, effective April 20.

Associated Press accounts from Rochester, N. Y., reporting this said:

> Single copies, in all cases, will be raised from 3 to 4 cents, and the former weekly rate which, with one exception was 18 cents, will variously increase from 2 to 6 cents.
>
> The exception is the Elmira Advertiser, whose former 15-cent price becomes 20 cents.
>
> Other papers affected and the new weekly rates are: Rochester Times-Union, 20 cents; Rochester Democrat & Chronicle, 20 cents; Elmira Star-Gazette, 20 cents; Utica Press, 22 cents; Utica Observer-Dispatch, 22 cents; Hartford, Conn., Times, 20 cents; Saratoga Springs Saratogian, 24 cents, and the Ithaca Journal, 24 cents.

The last reference to the recent increase in prices of daily papers and magazines, appeared in our issue of April 9, page 1444.

New Envoy To Russia

Admiral William H. Standley, United States Ambassador to Russia, presented his credentials to President Mikhail Kalinin in Moscow on April 14. Admiral Standley, who is a former Chief of Naval Operations, had arrived in Russia by United States Army plane.

Before leaving the United States, the Admiral received the Navy Distinguished Service Medal from President Roosevelt, as was noted in our issue of March 26, page 1242.